



**International Combustion
(India) Limited**



Annual Report
2017-18

Corporate Information

Board of Directors

Mr. Sanjay Bagaria *Chairman*
 Mr. Indrajit Sen *Managing Director*
 Mr. Ratan Lal Gaggar
 Mr. Ravi Ranjan Prasad
 Mrs. (Prof.) Bharati Ray

Board Committees

Audit Committee

Mr. Ravi Ranjan Prasad *Chairman*
 Mr. Ratan Lal Gaggar
 Mr. Indrajit Sen

Share Transfer & Stakeholders' Relationship Committee

Mr. Sanjay Bagaria *Chairman*
 Mr. Indrajit Sen
 Mrs. (Prof.) Bharati Ray

Nomination & Remuneration Committee

Mr. Ratan Lal Gaggar *Chairman*
 Mr. Ravi Ranjan Prasad
 Mr. Sanjay Bagaria

Corporate Social Responsibility (CSR) Committee

Mr. Sanjay Bagaria *Chairman*
 Mrs. (Prof.) Bharati Ray
 Mr. Ratan Lal Gaggar

Risk Management Committee

Mr. Sanjay Bagaria *Chairman*
 Mr. Indrajit Sen
 Mr. Suhas Chandra Saha

Company Secretary

Mr. Suhas Chandra Saha

Chief Financial Officer

Mr. Asish Kumar Neogi

Auditors

Ray & Ray, Chartered Accountants

Bankers

UCO Bank
 Axis Bank
 IDBI Bank
 ICICI Bank
 Kotak Mahindra Bank
 DCB Bank

Registrars & Share Transfer Agents

C. B. Management Services Pvt. Ltd.
 P-22, Bondel Road, Kolkata – 700 019
 Phone: (033) 40116700/15/17/24/42
 Fax: (033) 4011-6739
 E-mail: rta@cbmsl.com
 Website: www.cbmsl.com

Registered Office

Infinity Benchmark,
 11th Floor, Plot No. G-1,
 Block EP & GP, Sector – V,
 Salt Lake Electronics Complex
 Kolkata – 700 091
 Telephone: (033) 33153000
 Fax: (033) 2357-6653
 Email: info@internationalcombustion.in
 Website: www.internationalcombustion.in

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Directors' Report

To the Members,

Your Directors take pleasure in presenting the Eighty-Second Annual Report, including the Audited Annual Financial Statements of the Company for the Financial Year ended 31st March, 2018.

Financial Results (Standalone)

(₹in lac)

	2017-18		2016-17	
Revenue from Operations		10764		10858
Profit before depreciation, interest & tax		561		1180
Less: Interest	397		402	
Depreciation	524	921	507	909
Profit/(Loss) before Tax		(360)		271
Less: Provision for Income Tax -				
Current Tax		-	21	
Deferred Tax (reversal)/charge	(125)	(125)	36	57
Profit/(Loss) after Tax		(235)		214
Other Comprehensive Income/(Loss) for the year (net of tax)		(14)		(17)
Total Comprehensive Income/(Loss)		(249)		197

Adoption of Indian Accounting Standards (Ind As)

The Company has adopted Indian Accounting Standards (IND AS) for the first time with effect from 1st April, 2017, the transition date being 1st April, 2016. Accordingly, the financial statements for the Financial Year ended 31st March, 2018 have been prepared in accordance with the IND AS notified vide the Companies (Indian Accounting Standards) Rules, 2015, issued by the Central Government in exercise of the powers conferred by Section 133 of the Companies Act, 2013 and the financial statements for the previous Financial Year ended 31st March, 2017 have also been restated in accordance with the IND AS as required under law.

Dividend

In view of the loss suffered by the Company during the Financial Year under review, the Board does not recommend any dividend for the year.

Operations and State of the Company's Affairs

For the year under review, the market remained sluggish, especially in the steel and mining sectors, which are major areas of business for the Heavy Engineering Division of the Company. On account of this depressed market, the turnover of Heavy Engineering Division only increased marginally. It also needs to be mentioned that many of the steel plant projects where the Company had actually received large orders, got stalled during the year primarily because of unfavorable global price of steel. This has also significantly affected the business of Heavy Engineering Division. The overall performance of Bauer Division improved appreciably during the year and is also showing strong growth prospects for the future.

The market of Building Material Division was adversely affected during the year because of major slowdown in the construction industry. Though these products of the Company are acknowledged to

Directors' Report (Contd.)

be of high quality standard, the performance did not reach the expected level mainly on account of slowdown mentioned earlier. The Company has initiated a major re-structuring of the division to have a greater market reach.

We would like to mention that for the year under review, despite the current difficult market conditions, the revenue from the operations for the year was Rs. 10764 lac and the EBIDTA for the year was Rs. 561 lac. The earning after interest for the year was Rs. 164 lac. However, on account of high depreciation for the investment made in building material division, the net loss for the year was Rs. 360 lac.

Future Outlook

We are pleased to inform you that, the steel prices have started increasing and the steel and mining segment is expected to recover in the coming months. Another point of interest is the strong and growing demand for the crushers, crushing systems and manufactured sand plant. These equipment and systems are manufactured by your Company with license from Omni & Aden, Brazil and Milestone of South Africa. These will have a positive effect on the overall business of the Heavy Engineering Division.

The business of Bauer Division is steadily improving and is expected to have a growth of over 20% in the current year.

The quality of products of Building Material Division being of high standard, the turnaround of the division will start as soon as the demand for the material increases and the Company has initiated the process of restructuring for a greater market reach.

Joint Venture Company

Mozer Process Technology Pvt. Ltd. (MPTPL), a Joint Venture Company of the Company with Allgaier Werke GmbH, Germany, offers Mozer Dryers, which is a highly specialized product with sophisticated technology.

For the year under review, the revenue from operations of MPTPL was only Rs. 0.90 lac as compared to Rs. 222.95 lac during the previous Financial Year ended 31st March, 2017. However, MPTPL has been receiving a number of enquiries of late, some of which are at an advanced stage of negotiations. The market, however, continues to be highly competitive.

MPTPL suffered a Loss Before Tax of Rs. 32.39 lac during the Financial Year ended 31st March, 2018 as compared to a Loss Before Tax of Rs. 4.75 lac during the previous Financial Year ended 31st March, 2017.

The consolidated financial statements of the Company for the Financial Year ended 31st March, 2018, prepared after taking into consideration the financial statements of its aforementioned Joint Venture Company, also forms part of the Annual Report for the FY 2017-18. The said consolidated financial statements have been prepared adopting the Indian Accounting Standards (IND AS) under equity method of consolidation, considering the transition date as 1st April, 2016. The consolidated revenue from operations and consolidated loss before tax thus arrived at for the Financial Year ended 31st March, 2018 are Rs. 10764 lac and Rs. 376 lac respectively as compared to a consolidated revenue from operations and consolidated profit before tax for the previous Financial Year ended 31st March, 2017 of Rs. 10858 lac and Rs. 291 lac respectively.

A Statement in Form AOC-1 relating to the Associate/Joint Venture Company as required pursuant to Section 129 (3) of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014, is also attached to the Financial Statements.

The Company has no subsidiaries.



Directors' Report (Contd.)

Building Material Division

The new Building Material Division of the Company located at Ajmer, Rajasthan, for manufacture of high quality Dry Mix Mortar/ Dry Mix Products and related building materials, had commenced commercial production with effect from 31st March, 2016. The Company is manufacturing Dry Mix Mortar/Dry Mix products under the brand names 'IC Preciplast', 'IC PreciJoint', 'IC Precigrout', 'IC Preciseal' & 'IC Precifix'.

Currently, the Company is marketing these products in Delhi-NCR area, Uttar Pradesh, Rajasthan and Madhya Pradesh. The sales turnover of the Division during the Financial Year ended 31st March, 2018 was Rs. 341 lac.

Capital Expenditure

The total capital expenditure incurred by the Company during the Financial Year under review was Rs. 189 lac.

Extract of Annual Return

An extract of the Annual Return as on the Financial Year ended on 31st March, 2018 as required under Section 134(3) of the Companies Act, 2013, read with Section 92(3) of the said Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 are set out in Annexure-I, forming part of this Report.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

As required under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Accounts) Rules, 2014, particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are set out in Annexure-II, forming part of this Report.

Related Party Transactions

Your Board has framed a Related Party Transactions Policy which is available on the Company's website. During the year, the Company had not entered into any contract/ arrangement/ transaction with any related party which could be considered material in accordance with the Related Party Transactions Policy of the Company.

Details of related party transactions (which are not considered material) entered into on an arm's length basis during the Financial Year ended 31st March, 2018 are set out in Annexure-III, forming part of this Report, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Section 188 of the said Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Details Relating to Remuneration of Directors & Employees

A statement as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, relating to details of remuneration of Directors and employees, drawn during the Financial Year ended 31st March, 2018, are set out in Annexure-IV, forming part of this Report.

Number of Board Meetings

6 (Six) Board meetings of the Company were held during the Financial Year ended 31st March, 2018.

Directors' Report (Contd.)

For further details, please refer to the Report on Corporate Governance forming part of this Annual Report.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013 read with Section 134(5) of the said Act, the Directors, to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company, along with proper explanation relating to material departures, if any;
- b) appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit/loss of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts have been prepared on a going concern basis;
- e) the Board had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

Directors

There was no change in the composition of the Board of Directors of the Company during the Financial Year under review.

Considering the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company, at its meeting held on 26th April, 2018, re-appointed Mr. Indrajit Sen (DIN : 00216190) as the Managing Director of the Company for a further period of three years with effect from 1st May, 2018, subject to the approval of the shareholders of the Company at their forthcoming 82nd Annual General Meeting.

Mrs. (Prof.) Bharati Ray (DIN 06965340), Mr. Ravi Ranjan Prasad (DIN 00030458) & Mr. Ratan Lal Gaggar (DIN 00066068), all Independent Directors on the Board, are not liable to retire by rotation in terms of the provisions of Section 149(13) of the Companies Act, 2013.

However, in accordance with Section 149 of the Companies Act, 2013, the terms in office of Mr. Ratan Lal Gaggar (DIN 00066068) and Mr. Ravi Ranjan Prasad (DIN 00030458) as Independent Directors of the Company expire on 31st March, 2019 and 24th July, 2019, respectively, on the completion of five years from their respective effective dates of appointment. They being eligible for a second and final term of five years under the Act and having consented to continue in office for such second term, the Board has accorded its approval for such continuance in office which is subject, however, to the approval of the shareholders of the Company by means of a Special Resolution to be placed at their ensuing 82nd Annual General Meeting.

Mr. Indrajit Sen (DIN : 00216190) retires by rotation at the ensuing 82nd Annual General Meeting and being eligible, offers himself for re-appointment.

Directors' Report (Contd.)

The Company has received, at the first meeting of the Board of Directors held during the Financial Year 2018-19, the declarations pursuant to Section 149(7) of the Companies Act, 2013 from Mr. Ratan Lal Gagar, Mr. Ravi Ranjan Prasad & Mrs. (Prof.) Bharati Ray, Independent Directors of the Company, to the effect that they meet the criteria of independence as specified in Section 149(6) of the said Act.

The Nomination & Remuneration Committee of the Board has devised and the Board has duly adopted a Board Diversity Policy dealing with Board composition and appointments, which is available on the Company's website. The Nomination & Remuneration Committee nominates new appointees to the Board and the appointments are made by the Board.

The Nomination & Remuneration Committee of the Board has also formulated the criteria for determining the qualifications, positive attributes and independence of Independent Directors to be appointed on the Board of the Company.

Remuneration Policy

The Nomination & Remuneration Committee of the Board has devised and the Board has duly adopted a Remuneration Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company.

The Remuneration Policy of the Company ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the employees in order to run the Company successfully. The Policy sets out the guiding principles for determining the remuneration payable to the Directors, Key Managerial Personnel and other employees of the Company.

The remuneration payable to the Executive Directors is recommended by the Nomination & Remuneration Committee based on the guiding principles as set out in the Remuneration Policy and subject to the approval of the Board, the shareholders and the Central Government, wherever applicable.

As regards the Non-Executive Directors, the Board, from time to time, determines the sitting fee payable for attending each meeting of the Board or Committee thereof within the overall limits fixed under the Companies Act, 2013 and rules made thereunder. The Non-Executive Chairman is paid a Commission of upto 2% of the net profits of the Company, subject to the approval of the Nomination and Remuneration Committee, the Board, the shareholders and the Central Government.

The employees of the Company are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration is determined within the appropriate grade and is based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Board Evaluation

The Nomination & Remuneration Committee of the Board has formulated the criteria for evaluating the performance of the Board and the individual Directors and the same has been adopted by the Board. The Independent Directors, in their separate meeting, evaluate the non-independent Directors and the Board as a whole once a year. The Independent Directors are evaluated individually once a year by the entire Board sans the Independent Director being evaluated. The various Committees of the Board are evaluated by the Board.

Other Key Managerial Personnel

Mr. Suhas Chandra Saha is the Company Secretary of the Company and Mr. Asish Kumar Neogi is the Chief Financial Officer of the Company.

Directors' Report (Contd.)

Auditors' Report

There are no reservations, qualifications or adverse remarks in the Auditors' Report on the Annual Financial Statements, either Standalone or Consolidated, for the Financial Year ended 31st March, 2018.

Auditors

In accordance with Section 139 of the Companies Act, 2013, M/s. Lodha & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 78th Annual General Meeting (AGM) of the shareholders of the Company held on 12th September, 2014, for a period of three years with effect from the conclusion of the said 78th AGM till the conclusion of the 81st AGM. The term of M/s. Lodha & Co. having expired and they being ineligible for re-appointment in terms of Section 139(2) of the Companies Act, 2013, M/s. Ray & Ray (Firm Registration No. 301072E), Chartered Accountants, of Webel Bhawan, Ground Floor, Block EP & GP, Bidhan Nagar, Sector V, Salt Lake, Kolkata – 700 091, having expressed their willingness to act as the Statutory Auditors of the Company and having further confirmed that their appointment, if made, shall be within the limits specified in Section 141(3)(g) of the Companies Act, 2013, and their appointment having been recommended by the Audit Committee of the Board and by the Board of Directors, were appointed by the shareholders as the Statutory Auditors of the Company at their 81st AGM held on 20th September, 2017 for the period commencing with the conclusion of the said AGM till the conclusion of the 86th AGM of the shareholders of the Company subject to ratification by the shareholders at each AGM in between. The said M/s. Ray & Ray having expressed their willingness to continue in office and having further confirmed that their appointment, if ratified, shall be within the limits specified in Section 141(3)(g) of the Companies Act, 2013, the Board recommends to the shareholders, the ratification of their appointment as the Statutory Auditors of the Company at the ensuing 82nd Annual General Meeting of the shareholders of the Company.

Cost Audit

In terms of the Companies Act, 2013 and the rules made thereunder, audit of the cost accounting records maintained by the Company, relating to the products manufactured by the Company is not applicable for the Financial Year 2017-18.

Audit Committee

The Audit Committee of the Board, as on date, consists of Mr. Ravi Ranjan Prasad, Chairman of the Committee & Independent Director, Mr. Ratan Lal Gaggar, Independent Director and Mr. Indrajit Sen, Managing Director. For further details, please refer to the Report on Corporate Governance forming part of this Annual Report.

Secretarial Audit Report

The Secretarial Audit Report for the Financial Year ended 31st March, 2018 issued by Mr. Arup Kumar Roy, Company Secretary in Practice, Secretarial Auditor of the Company, is annexed to this Report and marked as Annexure VI as required under Section 204 of the Companies Act, 2013.

There are no reservations, qualifications or adverse remarks in the said Secretarial Audit Report.

Loans, Guarantees or Investments U/S 186

The Company has not granted any loans to other bodies corporate nor has the Company given any guarantees or provided any security for loans by other bodies corporate under Section 186 of the Companies Act, 2013.



Directors' Report (Contd.)

The Company invests its surplus fund in Fixed Deposits with banks or in Fixed Maturity Plans with Mutual Fund Houses, which are fixed income bearing debt funds. The Company has invested Rs. 50 lac in the equity shares of its Joint Venture Company, Mozer Process Technology Pvt. Ltd.

Risk Management

The Company has a Risk Management Plan in place approved by the Board of Directors. The Risk Management Committee is responsible for the implementation of the plan and reporting thereon to the Board.

Internal Financial Controls

In the opinion of the Board, the internal financial controls with reference to the Financial Statements established by the Board are adequate. During the year, such controls were tested and no material weakness in the design, operation or implementation thereof was observed.

Corporate Governance

In compliance with the provisions of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, relating to Corporate Governance, the following Reports/ Certificates are attached which form part of this Annual Report :

- i) Management Discussions and Analysis Report.
- ii) Report on Corporate Governance.
- iii) Compliance Certificate by CEO/CFO.
- iv) Declaration from the Managing Director on compliance of Code of Conduct by the Directors and Senior Management Personnel.
- v) Certificate by a Practicing Company Secretary regarding compliance of conditions of Corporate Governance.

Corporate Social Responsibility

In accordance with Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company has been constituted which, as on date, consists of Mr. Sanjay Bagaria, Chairman of the Committee, Mrs. (Prof.) Bharati Ray, Independent Director & Mr. Ratan Lal Gaggar, Independent Director. The CSR Committee has developed a CSR Policy which has been duly approved by the Board and is available on the website of the Company. The CSR Committee is responsible for implementing the CSR Policy of the Company and reporting thereon to the Board.

An Annual Report on CSR Activities including the Responsibility Statement of the CSR Committee for the Financial Year ended 31st March, 2018 as required under Section 135 of the Companies Act, 2013, read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 are set out in Annexure-V, forming part of this Report.

Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have established a Vigil Mechanism (Whistle Blower Policy) of the Company for the purpose of enabling the Directors and Employees to report unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct or ethics policy, and the same has been posted on the website of the Company. The Audit Committee of the Board is responsible for overseeing/ monitoring the functioning and implementation of the Vigil Mechanism.

Directors' Report (Contd.)

Human Resource Management

The human resource development programmes in various areas are undertaken on an ongoing basis.

Industrial Relations

Industrial relations during the year under review at all units remained largely cordial. However, the operations at one of the plants of the Heavy Engineering Division of the Company located at Baidyabati, District Hooghly, West Bengal, remained suspended for a brief period due to certain labour-related issues.

Fixed Deposits

The Company did not have any outstanding fixed deposits as on 31st March, 2018 or as on 31st March, 2017. The Company did not accept any fixed deposits during the year.

Credit Ratings

In February, 2018, credit rating agency ICRA Limited had revised the long-term scale rating on the working capital credit facilities enjoyed by the Company from its bankers on consortium basis to [ICRA] BBB- (pronounced as ICRA triple B minus) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying moderate credit risk]. The outlook on the long term scale rating is Stable. ICRA had also revised the short-term scale rating on the aforementioned facilities to [ICRA]A3 (pronounced as ICRA A three) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying higher credit risk as compared to instruments/ facilities rated in the higher categories]. However, the credit ratings are due for a review in June, 2018.

Quality Certifications

The Quality Management Systems of the Company with respect to its plants at Baidyabati, Nagpur & Aurangabad and also its Corporate Office at Kolkata, have been certified by the Indian Register Quality Systems (Accreditation by RvA, the Netherlands) to conform to the requirements of the Standard ISO 9001:2008.

General

No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company or the Company's operations in future.

An Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, has been formed. No complaints of sexual harassment were received by the Committee during the year under review.

Acknowledgement

Your Directors take this opportunity to thank all government authorities, banks, customers, suppliers and shareholders, for the continuous support extended by them to the Company. Your Directors place on record their appreciation for the dedication and commitments of the employees at all levels in achieving and sustaining excellence in all areas of the operation of the Company.

For & on behalf of the Board

Sanjay Bagaria
Chairman

Kolkata
23rd May, 2018

Annexure to Directors' Report – I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the Financial Year ended on 31.03.2018 of INTERNATIONAL COMBUSTION (INDIA) LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	L36912WB1936PLC008588
ii)	Registration Date	22nd April, 1936
iii)	Name of the Company	International Combustion (India) Limited
iv)	Category / Sub-Category of the Company	Public Company/ Limited by Shares
v)	Address of the Registered office and contact details	Infinity Benchmark, 11th Floor, Plot No. G-1, Block, EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata-700 091 Phone: (033) 33153000, Fax: (033)23576653 e-mail:info@internationalcombustion.in website:www.internationalcombustion.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. CB Management Services Private Limited P-22, Bondel Road, Kolkata – 700 019 Phone Nos.:(033) 4011-6700/ 6715/6717/6724/6742 Fax No.:(033) 4011-6739; e-mail: rta@cbmsl.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company are stated below:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Heavy Engineering Equipment	282	57.91%
2	Manufacture of Geared Motors & Gear Boxes	271	38.97%
3	Manufacture of Dry Mix Products	239	3.12%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mozer Process Technology Private Limited Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	U29253WB2013PTC193621	Associate	50%	2(6)

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
	a) Individual/ HUF	139600	-	139600	5.84	141400	-	141400	5.91	+0.07
	b) Central Govt	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	1125531	-	1125531	47.09	1120531	-	1120531	46.88	-0.21
	e) Banks / FI	-	-	-	-	-	-	-	-	-
	f) Any Other (Trust)	1800	-	1800	0.07	-	-	-	-	-0.07
	Sub-total (A) (1):	1266931	-	1266931	53.00	1261931	-	1261931	52.79	-0.21
2	Foreign									
	a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	b) Other – Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Banks / FI	-	-	-	-	-	-	-	-	-
	e) Any Other....	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A)=(A)(1)+ (A)(2)	1266931	-	1266931	53.00	1261931	-	1261931	52.79	-0.21
B.	Public Shareholding									
1.	Institutions									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Banks / FI	1	250	251	0.01	1	250	251	0.01	NIL
	c) Central Govt	-	-	-	-	-	-	-	-	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Cap. Funds	-	-	-	-	-	-	-	-	-
	f) Ins. Cos.	-	-	-	-	-	-	-	-	-
	g) FIIs	-	-	-	-	-	-	-	-	-
	h) Foreign Ven. Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1)	1	250	251	0.01	1	250	251	0.01	NIL
2.	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	87130	284	87414	3.66	79997	250	80247	3.36	-0.30
	ii) Overseas	-	1900	1900	0.08	-	-	-	-	-0.08
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	781719	102697	884416	37.00	805543	77417	882960	36.94	-0.06
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	120791	-	120791	5.05	98074	-	98074	4.10	-0.95

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

i) Category-wise Shareholding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others -									
NRIs	25314	-	25314	1.06	40095	-	40095	1.68	+0.62
Trusts	553	-	553	0.02	-	-	-	-	-0.02
Clearing Members	2706	-	2706	0.12	5591	-	5591	0.24	+0.12
IEPF Authority	-	-	-	-	21127	-	21127	0.88	+0.88
Sub-total (B)(2)	1018213	104881	1123094	46.99	1050427	77667	1128094	47.20	+0.21
Total Public Shareholding (B)=(B)(1) +(B)(2)	1018214	105131	1123345	47.00	1050428	77917	1128345	47.21	+0.21
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2285145	105131	2390276	100.00	2312359	77917	2390276	100.00	NIL

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	
1	Tradelink Securities Limited	343703	14.38	NIL	343703	14.38	NIL	NIL
2	Stephen Court Limited	279088	11.68	NIL	279088	11.68	NIL	NIL
3	Wool Worth Merchandise Pvt. Ltd.	170609	7.14	NIL	170609	7.14	NIL	NIL
4	Primestar Exim Private Limited	92100	3.85	NIL	92100	3.85	NIL	NIL
5	Mahadeo Jute & Industries Limited	90696	3.79	NIL	85696	3.58	NIL	-0.21
6	Amulyanidhi India Limited	82099	3.43	NIL	82099	3.43	NIL	NIL
7	Amravati Eximp Limited	62336	2.61	NIL	62336	2.61	NIL	NIL
8	Mr. Sanjay Bagaria	43900	1.84	NIL	43900	1.84	NIL	NIL
9	Mrs. Purnima Bagaria	39600	1.66	NIL	39600	1.66	NIL	NIL
10	Mr. Shiva Prasad Bagaria	27300	1.14	NIL	27300	1.14	NIL	NIL
11	Sanjay Bagaria (HUF)	20600	0.86	NIL	20600	0.86	NIL	NIL
12	Shiva Prasad Bagaria (HUF)	8200	0.34	NIL	8200	0.34	NIL	NIL
13	Lakshmi Farms Private Limited	4900	0.21	NIL	4900	0.21	NIL	NIL
14	Satyam Bagaria Benefit Trust	1800	0.07	NIL	NIL	NIL	NIL	-0.07
15	Mr. Satyam Bagaria	NIL	NIL	NIL	1800	0.07	NIL	+0.07
	Total	1266931	53.00	NIL	1261931	52.79	NIL	-0.21

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

iii) Change in Promoters' Shareholding :

Sl. No.	Name of Promoter	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)/ end (31/03/2018) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Tradelink Securities Limited	343703	14.38	1/4/17	No movement during the year		343703	14.38
		343703	14.38	31/3/18				
2.	Stephen Court Limited	279088	11.68	1/4/17	No movement during the year		279088	11.68
		279088	11.68	31/3/18				
3.	Wool Worth Merchandise Pvt. Ltd.	170609	7.14	1/4/17	No movement during the year		170609	7.14
		170609	7.14	31/3/18				
4.	Primestar Exim Private Limited	92100	3.85	1/4/17	No movement during the year		92100	3.85
		92100	3.85	31/3/18				
5.	Mahadeo Jute & Industries Limited	90696	3.79	1/4/17	-5000	Sale in Open Market	85696	3.58
				6/7/17				
		85696	3.58	31/3/18			85696	3.58
6.	Amulyanidhi India Limited	82099	3.43	1/4/17	No movement during the year		82099	3.43
		82099	3.43	31/3/18				
7.	Amravati Eximp Limited	62336	2.61	1/4/17	No movement during the year		62336	2.61
		62336	2.61	31/3/18				
8.	Mr. Sanjay Bagaria	43900	1.84	1/4/17	No movement during the year		43900	1.84
		43900	1.84	31/3/18				
9.	Mrs. Purnima Bagaria	39600	1.66	1/4/17	No movement during the year		39600	1.66
		39600	1.66	31/3/18				
10.	Mr. Shiva Prasad Bagaria	27300	1.14	1/4/17	No movement during the year		27300	1.14
		27300	1.14	31/3/18				
11.	Sanjay Bagaria (HUF)	20600	0.86	1/4/17	No movement during the year		20600	0.86
		20600	0.86	31/3/18				
12.	Shiva Prasad Bagaria (HUF)	8200	0.34	1/4/17	No movement during the year		8200	0.34
		8200	0.34	31/3/18				
13.	Lakshmi Farms Private Limited	4900	0.21	1/4/17	No movement during the year		4900	0.21
		4900	0.21	31/3/18				
14.	Satyam Bagaria Benefit Trust	1800	0.07	1/4/17	-1800	Revo-cation of Trust upon attaining Majority Age	0	0.00
				5/9/17				
		0	0.00	31/3/18			0	0.00
15.	Mr. Satyam Bagaria	0	0.00	1/4/17	1800	Transfer from Trust upon attaining Majority Age	1800	0.07
				5/9/17				
		1800	0.07	31/3/18			1800	0.07

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

iv) Shareholding Pattern of top ten Shareholders (other than Directors & Promoters)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)/ end (31/03/2018) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Dr. Ramesh Chimanlal Shah	14000	0.59	1/4/17				
				28/4/17	-1000	Transfer	13000	0.54
				5/5/17	-1000	Transfer	12000	0.50
				12/5/17	-1000	Transfer	11000	0.46
				26/5/17	-500	Transfer	10500	0.44
				2/6/17	-250	Transfer	10250	0.43
				23/6/17	-250	Transfer	10000	0.42
		10000	0.42	31/3/18			10000	0.42
2.	Neelam Bansal	15998	0.67	1/4/17				
				5/5/17	-1	Transfer	15997	0.67
				9/6/17	-55	Transfer	15942	0.67
				16/6/17	-30	Transfer	15912	0.67
				23/6/17	-1200	Transfer	14712	0.62
				27/10/17	100	Transfer	14812	0.62
				17/11/17	300	Transfer	15112	0.63
				1/12/17	-100	Transfer	15012	0.63
		22/12/17	174	Transfer	15186	0.64		
		15186	0.64	31/3/18			15186	0.64
3.	D S K Nageswara Rao	13623	0.57	1/4/17				
				14/7/17	65	Transfer	13688	0.57
				8/12/17	-200	Transfer	13488	0.56
				15/12/17	-135	Transfer	13353	0.56
		13353	0.56	31/3/18			13353	0.56
4.	Jitendra Lalbhai Shah	14100	0.59	1/4/17				
				21/4/17	-6	Transfer	14094	0.59
				28/4/17	-94	Transfer	14000	0.59
				19/5/17	-2400	Transfer	11600	0.49
				26/5/17	-430	Transfer	11170	0.47
				2/6/17	-370	Transfer	10800	0.45
				9/6/17	-900	Transfer	9900	0.41
				16/6/17	-500	Transfer	9400	0.39
				23/6/17	625	Transfer	10025	0.42
				7/7/17	-225	Transfer	9800	0.41
				14/7/17	-350	Transfer	9450	0.40
				21/7/17	-50	Transfer	9400	0.39
				28/7/17	-200	Transfer	9200	0.38
				11/8/17	-200	Transfer	9000	0.38
				18/8/17	-200	Transfer	8800	0.37
				29/9/17	300	Transfer	9100	0.38
		13/10/17	50	Transfer	9150	0.38		
		27/10/17	150	Transfer	9300	0.39		
		31/10/17	100	Transfer	9400	0.39		
		3/11/17	100	Transfer	9500	0.40		

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

iv) Shareholding Pattern of top ten Shareholders (other than Directors & Promoters) (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)/ end (31/03/2018) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
				10/11/17	100	Transfer	9600	0.40
				17/11/17	550	Transfer	10150	0.42
				24/11/17	50	Transfer	10200	0.43
				1/12/17	600	Transfer	10800	0.45
				8/12/17	50	Transfer	10850	0.45
				15/12/17	200	Transfer	11050	0.46
				22/12/17	450	Transfer	11500	0.48
				29/12/17	350	Transfer	11850	0.50
				5/1/18	100	Transfer	11950	0.50
				12/1/18	100	Transfer	12050	0.50
				19/1/18	300	Transfer	12350	0.52
				26/1/18	350	Transfer	12700	0.53
				16/2/18	100	Transfer	12800	0.54
				23/2/18	300	Transfer	13100	0.55
				2/3/18	150	Transfer	13250	0.55
				9/3/18	100	Transfer	13350	0.56
		13350	0.56	31/3/18			13350	0.56
		8900	0.37	1/4/17				
				19/5/17	-1200	Transfer	7700	0.32
				2/6/17	-500	Transfer	7200	0.30
				9/6/17	-450	Transfer	6750	0.28
				16/6/17	-450	Transfer	6300	0.26
				23/6/17	-500	Transfer	5800	0.24
				7/7/17	-200	Transfer	5600	0.23
				28/7/17	-50	Transfer	5550	0.23
				4/8/17	-200	Transfer	5350	0.22
				11/8/17	-300	Transfer	5050	0.21
				1/9/17	-200	Transfer	4850	0.20
				29/9/17	250	Transfer	5100	0.21
				6/10/17	50	Transfer	5150	0.22
				27/10/17	150	Transfer	5300	0.22
				31/10/17	100	Transfer	5400	0.23
				10/11/17	250	Transfer	5650	0.24
				17/11/17	300	Transfer	5950	0.25
				24/11/17	50	Transfer	6000	0.25
				8/12/17	50	Transfer	6050	0.25
				15/12/17	450	Transfer	6500	0.27
				22/12/17	550	Transfer	7050	0.29
				29/12/17	300	Transfer	7350	0.31
				5/1/18	100	Transfer	7450	0.31
				12/1/18	225	Transfer	7675	0.32
				19/1/18	325	Transfer	8000	0.33
				26/1/18	225	Transfer	8225	0.34
5.	Niranjana Jitendra Shah							

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

iv) Shareholding Pattern of top ten Shareholders (other than Directors & Promoters)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)/ end (31/03/2018) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
				2/2/18	175	Transfer	8400	0.35
				9/2/18	150	Transfer	8550	0.36
				23/2/18	200	Transfer	8750	0.37
				2/3/18	100	Transfer	8850	0.37
				9/3/18	350	Transfer	9200	0.38
				23/3/18	200	Transfer	9400	0.39
		9400	0.39	31/3/18			9400	0.39
		33075	1.38	1/4/17				
				7/4/17	-1986	Transfer	31089	1.30
				28/4/17	-25	Transfer	31064	1.30
				5/5/17	20	Transfer	31084	1.30
				19/5/17	10	Transfer	31094	1.30
				26/5/17	240	Transfer	31334	1.31
				2/6/17	-30174	Transfer	1160	0.05
				9/6/17	10	Transfer	1170	0.05
				16/6/17	32	Transfer	1202	0.05
				23/6/17	26	Transfer	1228	0.05
				30/6/17	7	Transfer	1235	0.05
				7/7/17	96	Transfer	1331	0.06
				14/7/17	34	Transfer	1365	0.06
				28/7/17	11	Transfer	1376	0.06
				4/8/17	32	Transfer	1408	0.06
				11/8/17	330	Transfer	1738	0.07
				18/8/17	197	Transfer	1935	0.08
				25/8/17	-525	Transfer	1410	0.06
				8/9/17	-189	Transfer	1221	0.05
				13/9/17	29	Transfer	1250	0.05
				15/9/17	36	Transfer	1286	0.05
				22/9/17	155	Transfer	1441	0.06
				29/9/17	186	Transfer	1627	0.07
				6/10/17	30	Transfer	1657	0.07
				13/10/17	92	Transfer	1749	0.07
				20/10/17	30	Transfer	1779	0.07
				27/10/17	-200	Transfer	1579	0.07
				31/10/17	52	Transfer	1631	0.07
				3/11/17	91	Transfer	1722	0.07
				10/11/17	51	Transfer	1773	0.07
				17/11/17	-6	Transfer	1767	0.07
				24/11/17	-1099	Transfer	668	0.03
				1/12/17	41	Transfer	709	0.03
				8/12/17	27	Transfer	736	0.03
				15/12/17	84	Transfer	820	0.03
6.	Edelweiss Broking Limited							

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

iv) Shareholding Pattern of top ten Shareholders (other than Directors & Promoters) (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)/ end (31/03/2018) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
				22/12/17	-187	Transfer	633	0.03
				29/12/17	150	Transfer	783	0.03
				5/1/18	-33	Transfer	750	0.03
				12/1/18	21	Transfer	771	0.03
				19/1/18	390	Transfer	1161	0.05
				26/1/18	-108	Transfer	1053	0.04
				2/2/18	50	Transfer	1103	0.05
				9/2/18	20	Transfer	1123	0.05
				16/2/18	-50	Transfer	1073	0.04
				23/2/18	21367	Transfer	22440	0.94
				9/3/18	225	Transfer	22665	0.95
				16/3/18	75	Transfer	22740	0.95
				23/3/18	7	Transfer	22747	0.95
				30/3/18	40	Transfer	22787	0.95
		22787	0.95	31/3/18			22787	0.95
7.	Utsav Pramodkumar Shrivastav	24000	1.00	1/4/17				
				19/5/17	-22000	Transfer	2000	0.08
				26/5/17	100	Transfer	2100	0.09
				9/6/17	500	Transfer	2600	0.11
				16/6/17	22400	Transfer	25000	1.05
				5/1/18	-1000	Transfer	24000	1.00
		24000	1.00	31/3/18			24000	1.00
8.	Pankaj Prasoon	15570	0.65	1/4/17				
				19/5/17	900	Transfer	16470	0.69
				2/6/17	900	Transfer	17370	0.73
				14/7/17	-270	Transfer	17100	0.72
				11/8/17	-2682	Transfer	14418	0.60
				18/8/17	-18	Transfer	14400	0.60
				8/9/17	-2700	Transfer	11700	0.49
				13/9/17	-2700	Transfer	9000	0.38
				15/9/17	-1800	Transfer	7200	0.30
				22/9/17	-2700	Transfer	4500	0.19
				29/9/17	-900	Transfer	3600	0.15
				20/10/17	-3600	Transfer	0	0.00
		0	0.00	31/3/18			0	0.00
9.	Tradelink Exim India Pvt. Ltd.	15361	0.64	1/4/17				
				12/5/17	-17	Transfer	15344	0.64
				19/5/17	-6344	Transfer	9000	0.38
				23/6/17	-2597	Transfer	6403	0.27
				21/7/17	-103	Transfer	6300	0.26
				8/9/17	-2189	Transfer	4111	0.17
				13/9/17	-31	Transfer	4080	0.17
				22/9/17	-4080	Transfer	0	0.00
		0	0.00	31/3/18			0	0.00

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

iv) Shareholding Pattern of top ten Shareholders (other than Directors & Promoters)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)/ end (31/03/2018) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
10.	Anirudh Mohta	13000	0.54	1/4/17				
				14/4/17	-2000	Transfer	11000	0.46
				5/5/17	-1100	Transfer	9900	0.41
				9/6/17	-5180	Transfer	4720	0.20
				16/6/17	280	Transfer	5000	0.21
				23/6/17	1000	Transfer	6000	0.25
				7/7/17	2510	Transfer	8510	0.36
				21/7/17	-8510	Transfer	0	0.00
		0	0.00	31/3/18		0	0.00	
11.	Nila Anilkumar Desai	10500	0.44	1/4/17	No movement during the year			
		10500	0.44	31/3/18			10500	0.44
12.	Girish Nilkanth Kulkarni	0	0.00	1/4/17				
				14/4/17	2682	Transfer	2682	0.11
				21/4/17	3693	Transfer	6375	0.27
				28/4/17	218	Transfer	6593	0.28
				12/5/17	8907	Transfer	15500	0.65
				19/5/17	4500	Transfer	20000	0.84
				26/5/17	2500	Transfer	22500	0.94
		22500	0.94	31/3/18		22500	0.94	
13.	Prabha Mohta	0	0.00	1/4/17				
				1/12/17	12538	Transfer	12538	0.52
		12538	0.52	31/3/18			12538	0.52

Note: For the purposes of the above, the Investor Education & Protection Fund Authority (IEPF Authority), to whom 21,127 equity shares representing 0.88% of the paid-up equity share capital of the Company were transferred in dematerialized form in November, 2017, as statutorily required under Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the voting rights on which shares shall remain frozen until the rightful owner claims the said shares in accordance with the said Rules, has not been considered.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director/ Key Managerial Personnel	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017)/ end (31/03/2018) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Sanjay Bagaria, Chairman (Director)	43900	1.84	1/4/17	No movement during the year			
		43900	1.84	31/3/18			43900	1.84
2.	Mr. Suhas Chandra Saha, Company Secretary (Key Managerial Personnel)	50	50	1/4/17	No movement during the year			
		50	0.002	31/3/18			50	0.002

Note: No other Director or Key Managerial Personnel had any shareholding in the Company either at the beginning or at the end of the year.

Annexure to Directors' Report – I (Contd.)

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹in lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3522.24	–	–	3522.24
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	17.24	–	–	17.24
Total (i+ii+iii)	3539.48	–	–	3539.48
Change in Indebtedness during the financial year				
• Addition	–	–	–	–
• Reduction	(703.40)	–	–	(703.40)
Net Change	(703.40)	–	–	(703.40)
Indebtedness at the end of the financial year				
i) Principal Amount	2821.97	–	–	2821.97
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	14.11	–	–	14.11
Total (i+ii+iii)	2836.08	–	–	2836.08

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹in lac)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Indrajit Sen, MD	
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	178.96	178.96
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission		
	- as % of profit	–	–
	- others, specify...	–	–
5.	Others	–	–
	Total (A)	178.96	178.96

Annexure to Directors' Report – I (Contd.)

VI. Remuneration of Directors and Key Managerial Personnel (Contd.)

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Contd.)

Ceiling as per the Act : Mr. Indrajit Sen was re-appointed as the Managing Director of the Company for a further period of three years with effect from 1st May, 2015 and an application under Section 197 of the Companies Act, 2013 read with Schedule V to the said Act, for approval of the managerial remuneration paid/ payable to him during the period from 1st May, 2015 to 30th April, 2018 was made to the Central Government. The Central Government, vide its letter dated 2nd June, 2016, approving the said application, had fixed a ceiling limit of Rs. 15741000/- for the period from 1st May, 2015 to 30th April, 2016, Rs. 16865000/- for the period from 1st May, 2016 to 30th April, 2017 and Rs. 17990000/- for the period from 1st May, 2017 to 30th April, 2018.

B. Remuneration to other directors

(₹ in lac)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mrs. (Prof.) Bharati Ray	Mr. Ratan Lal Gaggar	Mr. Ravi Ranjan Prasad	Mr. Sanjay Bagaria	
1.	Independent Directors					
	• Fee for attending Board/ Committee meetings	1.70	1.30	1.30	–	4.30
	• Commission	–	–	–	–	–
	• Others, please specify	–	–	–	–	–
	Total (1)	1.70	1.30	1.30	–	4.30
2.	Other Non-Executive Directors					
	• Fee for attending Board/ Committee meetings	–	–	–	1.80	1.80
	• Commission	–	–	–	–	–
	• Others, please specify	–	–	–	–	–
	Total (2)	–	–	–	1.80	1.80
	Total (B)=(1+2)	1.70	1.30	1.30	1.80	6.10
	Total Managerial Remuneration [Total(A) + Total(B)]					185.06

Overall Ceiling as per the Act:

- For remuneration paid to Managing Director, the matter relating to ceiling has been clarified under Para VI.A above.
- Sitting Fees @ Rs. 10000/- per Director per meeting is paid to the non-executive Directors which is well within the ceiling limit specified in the Companies Act, 2013.
- Commission @ 1% of the net profits of the Company is paid to Mr. Sanjay Bagaria, Non-Executive Chairman. However, it has now been proposed to pay him commission @ 2% of the net profits of the Company for a period of five years with effect from the Financial Year 2017-18 as recommended by the Nomination & Remuneration Committee and approved by the Board and the shareholders but subject to the approval of the Central Government, which is pending.

Annexure to Directors' Report – I (Contd.)

VI. Remuneration of Directors and Key Managerial Personnel (Contd.)

C. Remuneration To Key Managerial Personnel Other than MD/Manager/Whole-time Director:

(₹in lac)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. S. C. Saha, Company Secretary	Mr. Asish Kumar Neogi, CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	39.15	36.36	75.51
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	- as % of profit	–	–	–
	- others, specify...	–	–	–
5.	Others	–	–	–
Total		39.15	36.36	75.51

VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
A. Company					
Penalty			NIL		
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			NIL		
Punishment					
Compounding					

For & on behalf of the Board

Kolkata
23rd May, 2018Sanjay Bagaria
Chairman

Annexure to Directors' Report – II

PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

[Pursuant to clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) Conservation of energy

I. (a) The steps taken for conservation of energy –

1. Dynamic planning and job scheduling of furnace at Aurangabad Works helped in optimization of energy,
2. Consumption of power has been reduced substantially through systematic planning in the process of manufacture, and
3. Low energy consumption fittings have replaced the conventional fittings at all the plants.

(b) Impact of the steps taken on conservation of energy :-

1. Low cost energy resulted in substantial reduction in electricity consumption, and
2. Power factor has been improved through upgradation of capacitor banks which resulted in savings of energy consumption.

II. The steps taken by the Company for utilising alternate sources of energy – Commissioning of alternative sources of energy is being considered actively.

III. The capital investment on energy conservation equipments – An Investment of Rs. 15 lac is being considered for acquiring energy saving equipments during the Financial Year ending 31st March, 2019.

(B) Technology absorption

I. Research & Development (R & D)

i) Specific Areas:

Continuous research has been undertaken for improving the efficiency of the equipments manufactured by the Company.

ii) Benefits derived:

Equipments are accepted by the overseas customers resulting in gradual increase in export sales.

iii) Future plan of action:

Upgradation of manufacturing process will be continued through innovative technologies.

II. Technology Absorption, Adaptation and Innovation

i) Efforts made:

Continuous efforts are made for full absorption of imported and upgraded technology received from the collaborators.

ii) Benefits derived:

Existing products and new range of products introduced are well accepted in the market.

iii) Imported Technology:

Technology imported	Year of Import	Has Technology been fully absorbed?	If not absorbed, areas where this has not taken place, reasons thereof & future plans of action
Flip Flow Single and Double Deck Screen	2015	Yes	N.A.

(C) Foreign exchange Earnings and Outgo

During the year, foreign exchange earnings was Rs. 953.27 lac (Previous Year – 991.70 lac) against outgo of Rs. 381.74 lac (Previous Year – Rs. 638.04 lac).

For & on behalf of the Board

Kolkata
23rd May, 2018

Sanjay Bagaria
Chairman

Annexure to Directors' Report – III

Form No. AOC-2

[Pursuant to clause (b) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL.
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name (s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Mozer Process Technology Private Limited [Joint Venture Company having common Directors]	Letting of office space on leave and licence basis	11 months with option of renewal	License Fee of Rs. 3,000/- per month aggregating to Rs. 36,000/- during the Financial Year ended 31st March, 2018.	31st January, 2017	NIL

For & on behalf of the Board

Kolkata
23rd May, 2018

Sanjay Bagaria
Chairman

Annexure to Directors' Report – IV

PARTICULARS OF DIRECTORS' & EMPLOYEES' REMUNERATION

[Pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

Sl. No.	Name of the Director/ KMP and Designation	% increase (decrease) in remuneration in the Financial Year 2017-18 over Financial Year 2016-17	Ratio of Remuneration of each Director to median remuneration of employees for Financial Year 2017-18
1.	Mr. Sanjay Bagaria (Non-Executive Chairman)	(61.45)	0.62
2.	Mr. Ratan Lal Gaggar (Independent Director)	(13.33)	0.45
3.	Mr. Ravi Ranjan Prasad (Independent Director)	NIL	0.45
4.	Mrs. (Prof.) Bharati Ray (Independent Director)	NIL	0.58
5.	Mr. Indrajit Sen (Managing Director)	6.72	61.71
6.	Mr. Suhas Chandra Saha (Company Secretary)	6.30	N.A.
7.	Mr. Asish Kumar Neogi (Chief Financial Officer)	7.74	N.A.

- (ii) The median remuneration of the employees of the Company for the financial year ended 31st March 2018 was Rs. 2.90 lac.
- (iii) During the financial year ended 31st March 2018, the median remuneration of employees increased by 5.10%.
- (iv) The number of permanent employees on the rolls of the Company as on 31st March 2018 was 477.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 5.49% whereas increase in the Managerial Remuneration for the same financial year was 6.80%.
- (vi) It is hereby affirmed that the remuneration paid during the financial year ended 31st March 2018 is in accordance with the Remuneration Policy of the Company.

Annexure to Directors' Report – IV (Contd.)

2. PARTICULARS OF EMPLOYEES DRAWING REMUNERATION ABOVE THE PRESCRIBED LIMIT AND TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FY 2017-18:

Name	Age (Years)	No. of Shares held	Designation & Nature of Duties	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment
I. Sen	78	NIL	Managing Director	1,78,96,224	B.E.(Mech.)	56	14.12.1971	Hooghly Docking & Engg. Co.Ltd.
S. C. Saha	72	50	Company Secretary	39,15,140	M.Com, ACA, ACS	47	12.01.1982	Scott & Saxby Ltd
A. K. Neogi	62	NIL	Chief Financial Officer	36,35,805	ACMA	38	01.08.1999	Anglo India Jute Co Ltd
S. Saha	73	NIL	Advisor - Business Development	43,75,140	B.E.(Met.)	51	15.02.1967	First Employment
Sumon Chakravarty*	51	NIL	President- Building Material Division (BMD)	44,96,238	Ph.D. Chemistry	23	01.09.2014	Ultratech Cement Ltd
Asis Bharadwaj	60	NIL	Asstt. Vice - President (IT)	32,42,263	B.Sc.	38	27.06.1984	BES Consultancy Services (India) Pvt. Ltd.
S. K. Goswami	68	20	Vice- President (Crushers & Dryers)	31,97,040	B.E.(Mech.)	45	14.06.1983	The Gramophone Co.of India Ltd
Debasish Dutta	53	NIL	Asstt. Vice - President (Marketing)/HED	33,83,245	B.E.(Mech.)	28	01.02.1991	Lloyd Insulation (I) Pvt Ltd
Sanjeev Maathur*	53	NIL	General Manager (Technical & Marketing) BMD	37,38,305	Diploma (Civil) PGDMM	28	13.10.2015	Ultratech Cement Ltd
Sanjay Pathak*	49	NIL	General Manager (Operations & Project) BMD	30,13,446	B.E.(Prod Engg.)	22	1.12.2014	Ultratech Cement Ltd

* Employed for part of the year.

Notes:

- Gross remuneration comprises of salaries, allowances, reimbursement of medical expenses, Leave Travel Expenses due and paid and retirement benefits. In addition to the above remuneration, the employees are entitled to gratuity in accordance with the Company's Rules.
- All appointments are contractual.
- No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(2) (iii) of the captioned Rules is not applicable to any employee.

For & on behalf of the Board

Sanjay Bagaria
Chairman

Kolkata
23rd May, 2018

Annexure to Directors' Report – V

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 135 of the Companies Act, 2013, read with
Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy including overview of the projects or programs proposed to be undertaken - It is the Company's policy –
 - a) To direct its CSR Programmes, inter alia, towards achieving one or more of the following –
 - i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation;
 - ii) promoting education, including special education and employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - iii) protection of national heritage, art and culture;
 - iv) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government/ State Governments for socio-economic development;
 - v) ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water;
 - vi) creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India;
 - b) To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are prerequisites for social and economic development;
 - c) To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
 - d) To carry out CSR Programmes in relevant local areas to fulfill commitments arising from requests by government/regulatory authorities;
 - e) To provide equal opportunities to beneficiaries of the Company's CSR Programmes such as vendors or employees on merit;
 - f) To promote sustainability in partnership with industry associations, like the Bengal Chamber of Commerce & Industry, Indian Chamber of Commerce, Confederation of Indian Industry (CII), Indo-German Chamber of Commerce, etc. of which the Company is a member through various activities and programmes.

The full CSR Policy of the Company is available at the Company's official website and the web-link thereto is as below : -\

http://www.internationalcombustion.in/admin/uploadpdf/CSR_Policy.pdf.

2. The Composition of the CSR Committee – The CSR Committee was constituted on 2nd May, 2014 and it currently, consists of Mr. Sanjay Bagaria, Chairman of the Committee, Mrs. (Prof.) Bharati Ray, Independent Director & Mr. Ratan Lal Gaggar, Independent Director.
3. Average net profit (Loss) of the company for last three financial years – (Rs. 3.12 lac).
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – Not Applicable in respect of the Financial Year ended 31st March, 2018.
5. Details of CSR spent during the financial year –
 - (a) Total amount to be spent during the Financial Year 2017-18, being the shortfall in the amount required to be spent during the Financial Years 2014-15 & 2015-16, carried forward and remaining unspent at the beginning of the Financial Year 2017-18 – Rs. 10.23 lac.

Annexure to Directors' Report – V (Contd.)

(b) Amount unspent, if any, at the end of the Financial Year 2017-18 – Rs. 8.12 lac.

(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the State or district where the Project or program was undertaken	Amount outlay (budget) Project or programwise (₹)	Amount spent on the Project or programs Sub-heads: (1) Direct expenditure on the projects or programs (2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing Agency
1.	Organizing a sit & draw competition for under privileged & differently abled children.	Promoting education, including special education among underprivileged and differently abled children [Clause (ii) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	30,000	30,000 (Direct expenditure on the project)	30,000	Through the implementing agency, M/s. Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700 001.
2	T.E.A.C.H. Program of the implementing agency in partnership with Rotary India Literacy Mission, which aims to bring about total literacy in India.	Promoting education, among under-privileged children [Clause (ii) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	33,000	33,000 (Direct expenditure on the project)	33,000	Through the implementing agency, M/s. Inner Wheel Club of Calcutta South West, District 329, Kolkata.
3	Project of supplying uniforms & granting scholarships to under-privileged students.	Promoting education, among under-privileged children [Clause (ii) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	5,000	5,000 (Direct expenditure on the project)	5,000	Through the implementing agency, M/s. Eastern India Women's Association, 12, Block H, New Alipore, Kolkata – 700 053.
4	Promoting the cause of education for the under-privileged children.	Promoting education, among under-privileged children [Clause (ii) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	16,000	16,000 (Direct expenditure on the project)	16,000	Through the implementing agency, M/s. Siksha Educational Trust, a social welfare organization at 33/2H, Raja Naba Krishna Street, Kolkata – 700 005.

Annexure to Directors' Report – V (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the State or district where the Project or program was undertaken	Amount outlay (budget) Project or programwise (₹)	Amount spent on the Project or programs Sub-heads: (1) Direct expenditure on the projects or programs (2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing Agency
5	Project of providing furniture & laboratory equipment to schools for under-privileged.	Promoting education, among under-privileged children [Clause (ii) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	15,000	15,000 (Direct expenditure on the project)	15,000	Through the implementing agency, M/s. Rotary Club of Calcutta Greens, Simplex House, 2nd Floor, 27, Shakespeare Sarani, Kolkata – 700 017
6	Organizing a solo musical performance on Rabindra Sangeet.	Protection of national heritage, art and culture [Clause (v) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	62,500	62,500 (Direct expenditure on the project)	62,500	Through the implementing agency, M/s. Bhavna, a cultural forum, of 46A, Rupchand Mukherjee Lane, Kolkata – 700 025.
7	Project of creating a centenary scholarship fund for supporting meritorious under-privileged students.	Promoting education, among under-privileged children [Clause (ii) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	50,000	50,000 (Direct expenditure on the project)	50,000	Through the implementing agency, M/s. Calcutta Club, 241, A.J.C. Bose Road, Kolkata – 700 020.
	TOTAL			2,11,500	2,11,500	2,11,500	

6. Out of an aggregate amount of Rs. 10.23 lac required to be spent during the Financial Year ended 31st March, 2018, being the shortfall in the amount required to be spent during the Financial Years ended 31st March, 2015 & 31st March, 2016 carried forward and remaining unspent at the beginning of the Financial Year 2017-18, towards CSR Activities in terms of Section 135 of the Companies Act, 2013, the Company could spend only Rs. 2.11 lac. The CSR Committee is in the process of identifying and selecting suitable projects for incurring such CSR expenditure from amongst various alternatives. The unspent amount of Rs. 8.12 lac has been carried forward to be spent in the coming financial years towards which your Company is committed.

Annexure to Directors' Report – V (Contd.)

7. Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below :-

The implementation and monitoring of the Corporate Social Responsibility (CSR) Policy is in compliance with the CSR objectives and Policy of the Company.

For **International Combustion
(India) Limited**

Indrajit Sen
Managing Director

Kolkata
23rd May, 2018

For and on behalf of the
**Corporate Social
Responsibility Committee**

Sanjay Bagaria
Chairman, CSR Committee

Annexure to Directors' Report – VI

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
International Combustion (India) Limited
Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector – V,
Salt Lake Electronics Complex,
Kolkata – 700 091

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by International Combustion (India) Limited [hereinafter called the “Company”]. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the

Annexure to Directors' Report – VI (Contd.)

Company has, during the audit period covering the Financial Year ended on 31st March, 2018 [hereinafter called the “Audit Period”], complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**); and
 - (i) The Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India and approved by the Ministry of Corporate Affairs, Government of India; and
- (ii) The Listing Agreements entered into by the Company with The Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Agreements, etc. mentioned above.

I further report that adequate systems and processes are in place in the Company to monitor and ensure

Annexure to Directors' Report – VI (Contd.)

compliance with the general laws including labour laws, industrial laws, competition law, environmental laws, foreign trade laws, foreign exchange laws and other State legislations, local and municipal laws as are applicable to the Company and its various establishments.

Based on the Statutory Auditors' Report on the Annual Financial Statements for the Financial Year ended 31st March, 2018, I report that the Company is largely compliant with the financial and tax laws relating to income tax, wealth tax, excise duty, customs duty, service tax, Research & Development Cess, Central Sales Tax, Value-added tax, local sales tax, entry tax, Goods & Services Tax (GST), Octroi Duty, Profession & Employment Taxes and other State, local and municipal taxes, duties and cesses as are applicable to the Company and its various establishments.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors of the Company during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board & Committee meetings are generally carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. However, in case of dissent or abstention, majority decision is carried through while the dissenting/ abstaining members' views are captured and recorded as part of the minutes. Directors interested in a particular business/ matter do not participate in the discussions or voting on the matter in accordance with the Act.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Arup Kumar Roy
Company Secretary in Practice
ACS No. 6784 ; C P No. 9597

Place : Kolkata
Date : 23rd May, 2018

This report is to be read with my letter of even date which is annexed and marked as 'Annexure A' and forms an integral part of this Report.



‘Annexure A’

To,
The Members,
International Combustion (India) Limited
Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector – V,
Salt Lake Electronics Complex,
Kolkata – 700 091

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Arup Kumar Roy
Practicing Company Secretary
Membership No. A6784
Certificate of Practice No. 9597

Place : Kolkata
Date : 23rd May, 2018

Management Discussion and Analysis Report

The Management Discussion & Analysis Report for the Financial Year ended 31st March, 2018 as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclose Requirements) Regulations, 2015 read with Schedule V to the said Regulations, is presented below:

1. Industry Structure & Development

The three (3) operating divisions of the Company are Heavy Engineering, Gear Box & Geared Motor and Building Material Division. During the year under review, the market remained sluggish especially in the steel and mining sectors, which are major areas of business for the Heavy Engineering Division of the Company. It also needs to be mentioned that many of the steel plant projects, where the Company had actually received large orders, got stalled during the year primarily because of unfavourable global price of steel. This has also significantly affected the business of Heavy Engineering Division.

The performance of Geared Motor & Gear Box Division has improved appreciably during the year and it has also shown strong growth prospects for future.

The performance of Building Material Division was adversely affected during the year because of major slowdown in the construction industry and as such, the performance of this division did not reach the expected level.

2. Strength & Opportunities

Your Company is recognized as a technology leader – particularly for the products manufactured by Heavy Engineering Division and Geared Motor & Gear Box Division. The Company is consistently upgrading the technology for these products, to remain at par with global technology trend.

Your Board is pleased to report that after a few years of intensive efforts, the Company has been successful in breaking into the area of crushing, screening systems and manufactured sand systems. These products are being manufactured under license from Omni/Aden Brazil. The contracts which have already been executed for supply of this products, have received favourable market response.

The FlipFlop screening machine is another products which has been introduced in the market during the year under review, under collaboration with FLEXIMAT Ges.m.b.H, Austria. These screening machines continue to receive favourable response from the market.

3. Threats

The rapidly escalating price of raw material and weakening of the rupee against Euro and Dollar is sharply increasing the input cost. However, since many of the products manufactured by the Company are required for medium and long term purchase, the selling price cannot be revised adequately and this ultimately is narrowing down the gap between selling price and the cost of raw material input.

Aggressive market competition is a factor which is causing price pressure on all the Company's products. The Company is aware of these threats and to circumvent this unfavourable situation, the Company has taken necessary steps to increase the market infrastructure for all its products to reach a bigger spectrum of industry.

4. Risk & Concerns

A Risk Management Policy has been adopted by the company which needs to detail the objectives and principal of risk management along with an overview of the process and related roles and responsibilities. The Risk Management Committee has also identified the risks in various business areas and it also develops and monitor various mitigation strategies and plans in these areas to reduce and eliminate the likelihood of such risks.

The presence in India of players with low cost products has intensified the competition in the domestic market consequently shrinking the margin - is considered as an area of risk. To mitigate the risk involved, steps have been taken to go ahead of the competition with the company's strong brand image along with effective marketing framework for the company's engineering products.

Delay in achieving the desired level of business by the new business division of the company at Ajmer, Rajasthan for manufacture of Dry Mix Mortars and the resultant risk associated with the timely servicing of the term loan taken for part-financing of the capital expenditure for this division – has been identified as an area of risk and accordingly a strategy has been devised for targeting the infrastructure, urbanization and affordable housing programmes of Govt. of India, which are expected to have a positive impact on the performance of the said Building Material Division. A strategy has also been laid down for servicing of the aforesaid term loan. Following the same strategy, the aforesaid debts are being serviced regularly and punctually including, in some cases servicing of such debt, out of the maturity proceeds of the investments of the Company in Fixed Maturity Plans (FMPs) lying with various fund houses.

Management Discussion and Analysis Report (Contd.)

5. Outlook

Steel, mining, sugar and various other capital goods industries where your company is active, has gradually started improving and your company expects the business in these segments to grow favourably in the coming years.

After few years of intensive efforts, your company has entered into the area of crushing and screening systems, where the products have been manufactured under the license from Omni/Aden Brazil and also being supported by Milestone Equipment (Pty) Ltd. of South Africa. The contracts which have been executed have received favourable market response and your company expects considerable amount of business from this segment.

The other new product introduced in the market is Flip Flop Screening machine manufactured in collaboration with FLEXIMAT Ges.m.b.H, Austria continues to receive favourable response from the market and expected to contribute in the company's business in the future years.

Although the Building Material Division did not perform as expected mainly due to major slowdown in construction industry, this industry has again started improving. Your company feels that more focused marketing and distribution network is necessary for high quality dry mix mortar/dry mix products of Building Material Division to have a greater reach to the market. Keeping this in view, your Company have initiated a complete restructuring process for the same.

The performance of Geared Motor & Gear Box Division has been exciting and this division is expected to grow between 20-25% on year on year basis. This is sensitive market in terms of delivery and quality with competition from major global players. Reliability of delivery and quality being the core demands of the market, the company has decided to make phased expansion of the manufacturing capacity to meet the growing demand of the market.

The Company has also reintroduced manufacture of rubber and polyurethane screen decks under license from Kuper, Germany in view of the quality and delivery issues of the domestic suppliers which is disturbing the company's commitment to its customers and also the performance of the equipment being supplied.

Rubber and Polyurethane products also have their strong market specially in mining and steel industry and the company expects substantial amount of business in future.

The Company expects significant contribution from all these products in the future years.

6. Internal Financial Control Systems & Their Adequacy

The Company has an established Internal Control system commensurate with its size, growth and its nature of operation. The Internal Control System has been designed to ensure orderly and efficient conduct of its business. The system also ensures that all assets are safeguarded. The accuracy and completeness of accounting records and timely preparation of reliable accounting and financial information. The system ensures that applicable statutes and policies – the Code of Conduct of the Company, the Vigil Mechanism (Whistle-Blower Policy), The Risk Management Plan, the Related Party Transactions Policy and other corporate policies are duly complied with.

The Internal Control Systems are routinely tested by the Management, Statutory Auditor and Internal Auditors who submit their reports on half yearly basis to the Management and the Audit Committee. The Audit Committee reviews the Reports of Internal Auditors and addresses significant issues raised by both the Internal Auditors and the Statutory Auditors. The Committee also follows up the implementation of the corrective actions suggested by the Auditors to ensure adequacy of the Internal Control System.

7. Financial Performance / Operational Performance

(₹ in lac)

Particulars	2017-2018	2016-2017*
Revenue from Operations	10764	10858
Operating Profit/(Loss) Before Tax	(360)	271
Exceptional Items	-	-
Operating Profit/(Loss) after Tax	(235)	214
Net Cash Flow from Operation	712	1106
Operating Profit/(Loss) to Sales (%)	(3)	2
Basic E.P.S. (Rs.)	(9.83)	8.94

* Previous Year's figures have been restated/rearranged due to introduction of INDAS.

The revenue from operations for the year under review has decreased marginally as compared to that of the

Management Discussion and Analysis Report (Contd.)

previous year and the Company has incurred an operating Loss Before Tax of Rs.360 lac during the year under review as against a Profit Before Tax of Rs.214 lac in the previous year, mainly on account of high depreciation for the investment made in Building Material Division.

8. Segment-Wise Performance (Standalone)

Particulars	2017-18	2016-17
Segment Revenue (Sales & Other Operating Income)		
a) Mineral & Material Processing & Handling Equipment	6330	6619
b) Geared Motor and Gear Box	4260	4327
c) Building Material	341	109
Net Sales/Income & Inter-Divisional Transfers	10931	11055
Less : Inter-Segment Transfers	167	197
Net Sales/Income from Operations	10764	10858
Segment Results (Profit before Tax & Interest)		
a) Mineral & Material Processing & Handling Equipment	1946	1988
b) Geared Motor and Gear Box	146	33
c) Building Material	(540)	(555)
Total	1552	1466
Less : Finance Costs	397	402
Other Unallocable Expenditure, net of unallocable Income	1515	793
Total Profit/(Loss) before Tax	(360)	271

9. Human Resources/Industrial Relations

Your Company believes that continuous improvement in employee productivity can only be achieved by investing in its people. Keeping this in view, the Company has undertaken various Human Resources Development Programmes for employees at all its divisions/operational areas to provide opportunities to its employees to learn and develop themselves from this training, which ultimately would lead to development/optimization and efficient engagement of the Human Resources.

The number of personnel employed by the Company across all its units and offices was 477 as at 31st March, 2018. The Industrial Relation during the year remained largely cordial.

10. Cautionary Statement

Certain statements in this report relating to Company's objectives, outlooks, projections, expectations etc. may be "forward looking statements" within the meaning of the applicable laws and regulations. Although the Company believes that the expectations reflected in such "forward looking statements" are reasonable, the Company does not and cannot guarantee the accuracy of various assumptions underlying such expectations. Accordingly, actual results or performance could differ materially from such expectations, projections etc., whether expressed or modified, due to changes in global economy and business conditions, changes in political environment, changes in the Government regulations, tax laws, external economic condition affecting demand and supply, price conditions in the market in which the Company operates, natural phenomena such as flood and earthquake, customers' strategies etc. over which the Company does not have any control. The Company does not assume any responsibility/obligation in respect of such forward-looking statement which may undergo changes in future on the basis of subsequent developments or events.

For & on behalf of the Board

Place: Kolkata
Date: 23rd May, 2018

Sanjay Bagaria
Chairman

Report on Corporate Governance

INTRODUCTION

The Company's Report on Corporate Governance for the Financial Year ended 31st March, 2018 as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, is furnished hereinbelow:

A. Company's Philosophy on Corporate Governance

The philosophy of the Company is to aim for optimum performance at all levels. For achieving the same, the Company follows the basic Corporate Governance principles and practices viz. fair and transparent business practices, effective management control by the Board, compliance of laws, monitoring of executive performance, accountability for performance, responsibilities of the Board of Directors and monitoring of business risks. The Company believes that good Corporate Governance generates from the mind-set of the organisation and is based on the principles of equity, accountability and commitment to do things in a manner where the resources available can be effectively utilised to meet the stakeholders' aspirations and social expectations.

The Company consistently strives to protect and facilitate the exercise of shareholders' rights, to provide adequate and timely information to shareholders on relevant matters and to ensure equitable treatment of all shareholders. The Company recognizes the rights and interests of all its various stakeholders and seeks to encourage co-operation with them.

B. Board of Directors

(i) Composition

The Board of Directors of the Company, as on 31st March 2018, comprised of 5 (five) members with one Executive Director – the Managing Director - and four Non-Executive Directors, three of whom were Independent Directors. The Chairman of the Board is a Non-Executive Director. The Non-Executive Directors with specialization in their respective fields are bringing in a wide range of skills and experience.

(ii) Attendance of the Directors at the Board Meetings of the Company held during the year ended 31st March 2018 and at the last Annual General Meeting (AGM) along with no. of other Directorship(s), other Committee Membership(s) and the Directors' shareholding as on 31st March, 2018 are given below:-

Sl. No	Name of Director	Nature of Category	No. of Board Meetings attended	Attendance at last AGM held on 20.09.2017	No. of Other Directorships*	Other Membership of Committees*		Shares held (Nos.)
						Chairman	Member	
1.	Mr. Sanjay Bagaria	Chairman & Non-Executive Director (Promoter)	6	Yes	4	-	-	43,900
2.	Mr. Indrajit Sen	Managing Director (Non-Promoter)	6	Yes	-	-	-	-
3.	Mr. Ratan Lal Gagar	Non-Executive Independent Director	6	Yes	9	1	6	-
4.	Mr. Ravi Ranjan Prasad	Non-Executive Independent Director	6	Yes	-	-	-	-
5.	Mrs. (Prof.) Bharati Ray	Non-Executive Independent Director	6	Yes	1	-	-	-

* For the purpose of computing 'Other Directorships', & 'Other Membership of Committees' as above, Private Limited Companies and Section 8 Companies have been excluded and for computing 'Other Membership of Committees', Chairmanship/Membership in Audit Committee & Stakeholders' Relationship Committee alone have been considered.

- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees [as specified in Regulation 26 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015] across all the Companies in which he/ she is a Director.

Report on Corporate Governance (Contd.)

(iii) Meetings of the Board of Directors

The meetings of the Board are usually held at the Registered Office of the Company at Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091. During the year under review, 6 (six) Board Meetings were held on 12.05.2017, 04.07.2017, 01.09.2017, 20.09.2017, 28.11.2017 & 06.02.2018. The Company Secretary prepares the Agenda in consultation with the Chairman of the Board, for each meeting and circulates the same in advance to the Directors. The Board meets at least once in every quarter to review the Quarterly Results and other items on the Agenda. The information as required under Regulation 17(7) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part A of Schedule II to the said Regulations is made available periodically to the Board. Details of Directors seeking appointment/ re-appointment at the forthcoming 82nd Annual General Meeting are being circulated with the Notice convening the Annual General Meeting. The Board periodically reviews the compliance reports on various laws applicable to the Company and takes steps to rectify instances of non-compliance, if any. Copies of Minutes of the Board Meetings are circulated among the members of the Board for their confirmation and comments, if any.

C. Board Committees

(i) Audit Committee

The Audit Committee of the Board of Directors of the Company currently comprises of three Directors – two of whom are Independent and Non-Executive. The Chairman of the Committee is an Independent Non-Executive Director. The composition of the Audit Committee is in line with the Regulation 18 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. During the year ended 31st March 2018, 5 (five) Meetings of the Audit Committee were held - on 12.05.2017, 04.07.2017, 01.09.2017, 28.11.2017 & 06.02.2018. The composition of the Audit Committee along with the attendance of each member are given below :-

Name of Director	Designation	Profession	Committee Meetings	
			Held	Attended
Mr. Ravi Ranjan Prasad	Chairman	Chartered Accountant	5	5
Mr. Ratan Lal Gaggar	Member	Solicitor & Advocate	5	5
Mr. Indrajit Sen	Member	Engineer	5	5

The Company Secretary attends the Committee Meetings as Secretary to the Committee. The Statutory Auditors, Internal Auditors & Chief Financial Officer are invitees to the Audit Committee meetings.

The Audit Committee acts as a link between the management, statutory auditors, internal auditors and the Board of Directors. The terms of reference of the Audit Committee, inter-alia, include those specified under Regulation 18 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part C of Schedule II to the said Regulations as well as under Section 177 of the Companies Act, 2013, such as:

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors, Cost Auditors, Internal Auditors and Tax Auditors and fixation of their fees;
- Approval of payment for any other services rendered by Statutory Auditors;

Report on Corporate Governance (Contd.)

- Reviewing the Quarterly/Half Yearly Financial Results and the Audited Financial Results before they are submitted to the Board for their approval;
- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval/ ratification of related party transactions on quarterly basis;
- Granting of omnibus approval to material related party transactions in accordance with the Related Party Transactions Policy of the Company;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Discussion with internal auditors of any significant findings and follow up there on;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate ;
- Review of the following information :-
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Internal Audit Reports.

(ii) Share Transfer & Stakeholders' Relationship Committee

(a) Terms of reference

- Approval of transfers, transmission and transposition of shares or other securities, if any, including the power to disapprove the transfers in accordance with the provisions of the Companies Act, 2013, Securities Contracts (Regulation) Act, 1956, and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- Issue of new share certificates on split/consolidation, issue of duplicate share certificates against lost/mutilated shares, etc.
- Redressal of shareholders' complaints including complaints related to non-receipt of Annual Reports, non-receipt of declared dividends, non-receipt of share certificates after transfer, transmission, split, consolidation, etc.

(b) Composition

As on 31st March, 2018, the Committee comprised of three Directors viz. Mr. Sanjay Bagaria, Non-Executive Director as Chairman of the Committee, Mr. Indrajit Sen, Managing Director and Mrs. (Prof.) Bharati Ray, Non-Executive Independent Director. During the year under review, this Committee met ten times – 03.05.2017, 09.06.2017, 12.07.2017, 11.08.2017, 13.09.2017, 07.11.2017, 17.11.2017, 22.12.2017, 09.03.2018 & 28.03.2018, which were attended to by all the members.

Report on Corporate Governance (Contd.)

(c) Investors' Complaints

Mr. Suhas Chandra Saha, Company Secretary, is the Compliance Officer of the Company for, inter-alia, ensuring compliance with the requirements under the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 & Companies Act, 2013 and also for attending to the investor-related issues and grievances.

Investors' complaints which cannot be settled at the level of Compliance Officer and CB Management Services (P) Ltd. – Registrar and Share Transfer Agents of the Company, are forwarded to the Share Transfer & Stakeholders' Relationship Committee for final settlement. The Share Transfer & Stakeholders' Relationship Committee also reviews all complaints received through SCORES, the web-based investor grievance redressal portal launched by the Securities & Exchange Board of India.

Name, designation & address of Compliance Officer :

Name : Mr. Suhas Chandra Saha
 Designation : Company Secretary
 Address : Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP.
 & GP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091.
 E-mail ID : sc.saha@internationalcombustion.in
 (for Investors' complaint).

The number of shareholders' complaints received during the Financial Year 2017-18 was 1 (One) which was duly redressed. No shareholder's complaint was pending unresolved as at the end of the Financial Year 2017-18.

(iii) Nomination & Remuneration Committee

As on 31st March, 2018, the Nomination & Remuneration Committee comprised of three Directors, viz. Mr. Ratan Lal Gaggar, Independent Director & Chairman of the Committee, Mr. Ravi Ranjan Prasad, Independent Director and Mr. Sanjay Bagaria, Non-Executive Director. The Committee has power to regulate its meetings and proceedings. In accordance with the requirement of Section 178 of the Companies Act, 2013, & Regulation 19 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II to the said Regulations, its terms of reference have also been expanded. Presently, the Committee is responsible, inter-alia, for:-

- Recommending to the Board the appointments/ re-appointments of Directors and of other Key Managerial Personnel,
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director,
- Recommending to the Board of Directors, the remuneration payable to the Managing Director, other Key Managerial Personnel and the Senior Management Personnel of the Company,
- Recommending to the Board, the Remuneration Policy of the Company,
- Devising a Policy on Board Diversity,
- Formulation of criteria for performance evaluation of all Directors and the Board as a whole.

During the Financial Year 2017-18, the Committee met once – on 4th July, 2017 - which was attended to by all the members.

Report on Corporate Governance (Contd.)

The Board, on 20th May, 2014, adopted a Remuneration Policy recommended by the Nomination & Remuneration Committee. The Policy ensures that the level of remuneration payable to the Executive Directors and Key Managerial Personnel is reasonable and sufficient to attract, retain & motivate them. For further details of the Remuneration Policy, please refer to the Directors' Report forming part of this Annual Report.

D. Details of Directors' Remuneration for the year ended 31st March, 2018

Name	Salary	Perqui- sites & Allow- ances	Retire- ment Benefits	Com- mi- ssion	Sitting Fees	Total
	₹	₹		₹	₹	₹
a) Executive Directors:						
Mr. Indrajit Sen, Managing Director	79,51,000	81,23,974	18,21,250	-	-	1,78,96,224
b) Non-Executive Directors:						
Mr. Sanjay Bagaria	-	-	-	-	1,80,000	1,80,000
Mr. Ratan Lal Gagar	-	-	-	-	1,30,000	1,30,000
Mr. Ravi Ranjan Prasad	-	-	-	-	1,30,000	1,30,000
Mrs. (Prof.) Bharati Ray	-	-	-	-	1,70,000	1,70,000
					6,10,000	1,85,06,224

- The tenure of office of the Managing Director was for a period of three years with effect from 1st May 2015, which expired on 30th April, 2018. Considering the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company, at its meeting held on 26th April, 2018, re-appointed Mr. Indrajit Sen as the Managing Director of the Company for a further period of three years with effect from 1st May, 2018, subject to the approval of the shareholders of the Company by means of a Special Resolution to be passed at their forthcoming 82nd Annual General Meeting. The MD's tenure of office can however be terminated by either party by giving six months' notice in writing or salary in lieu thereof. There is no separate provision for payment of severance fees to the MD.
- Pursuant to the Companies Act, 2013, now, all the Directors except the Independent Directors retire by rotation.
- There are no stock options available/ issued to any Director of the Company.
- The Chairman was being paid a commission @ 1% of the net profits of the Company till the Financial Year 2016-17. However, it has now been proposed to pay him commission @ 2% of the net profits of the Company for a period of five years with effect from the Financial Year 2017-18 as recommended by the Nomination & Remuneration Committee and approved by the Board and the shareholders but subject to the approval of the Central Government, which is pending.
- Each Non-Executive Director is paid a fee of Rs. 10,000/- for attending each meeting of the Board or Committee thereof.
- The Non-Executive Directors do not have any other pecuniary relationship or transactions vis-à-vis the Company.

Report on Corporate Governance (Contd.)

E. General Body Meetings:

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location	No. of Special Resolutions Passed
2016-17	20.09.2017	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	1 (One)#
2015-16	02.09.2016	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	-
2014-15	18.09.2015	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	2 (Two)*

- * Special Resolutions relating to Re-appointment of Managing Director and Alteration of Articles of Association of the Company were passed through Remote Electronic-Voting & Poll at the 79th Annual General Meeting held on 18th September, 2015 with 53.12% participation. 99.95% of the votes polled were in favour of the resolution concerning Re-appointment of Managing Director and 99.99% of the votes polled were in favour of the resolution concerning Alteration of Articles of Association. Mr. Arup Kumar Roy, Company Secretary in Practice, was the Scrutinizer for the said Remote E-Voting & Poll. National Securities Depository Limited was appointed as the Remote E-Voting Agency for the same.
- # A Special Resolution for approving payment of Commission to Non-Executive Chairman @ 2% of the net profits of the Company for a period of five years beginning with the Financial Year 2017-18 subject to the approval of the Central Government was passed through Remote Electronic-Voting at the 81st Annual General Meeting held on 20th September, 2017 with 52.87% participation and 99.97% of the votes polled in favour of the resolution. Mr. Arup Kumar Roy, Company Secretary in Practice, was the Scrutinizer for the said Remote E-Voting & Poll. National Securities Depository Limited was appointed as the Remote E-Voting Agency for the same.
- Special Resolutions for approving re-appointment of Mr. Indrajit Sen as Managing Director and Mr. Ratan Lal Gaggar & Mr. Ravi Ranjan Prasad as Independent Directors are proposed to be passed at the forthcoming 82nd Annual General Meeting scheduled to be held on 3rd September, 2018.

F. Disclosures

(a) Related party transactions

All related party transactions have been entered into in the ordinary course of business on an arm's length basis and are placed periodically before the Audit Committee in summary form. There are no significant related party transactions, which have conflict with the interests of the Company at large. The related party transactions have been disclosed in Note No. 45 of the Notes to the Financial Statements for the year ended 31st March, 2018 and also as an Annexure to the Board's Report for the said year.

The Board has adopted a Related Party Transactions Policy which has been posted on the website of the Company (weblink : http://www.internationalcombustion.in/admin/uploadpdf/RPT_Policy.pdf). The Audit Committee of the Board has been made responsible for monitoring the implementation of the said Policy and for ensuring compliance with the same.

Report on Corporate Governance (Contd.)

(b) Disclosure of accounting treatment

During the Financial Year 2017-18, the Company has migrated to the Indian Accounting Standards (IND AS) and its Financial Statements for the said Financial Year ended 31st March, 2018 have been prepared in accordance with the Indian Accounting Standards (IND AS) as required under the Companies (Indian Accounting Standards) Rules, 2015. The said Indian Accounting Standards (IND AS) in accordance with which the Financial Statements have been prepared are disclosed in the notes to the Annual Audited Financial Statements.

(c) Board Disclosures – Risk Management

The Company has established a Risk Management Plan, covering the risk assessment/minimization procedures as approved by the Board. During the year ended 31st March 2018, these procedures for risk assessment and minimization have been updated. These have been disclosed in the Management Discussion and Analysis Report forming a part of the Directors' Report. The Board has constituted a Risk Management Committee comprising of Mr. Sanjay Bagaria, Chairman of the Committee, Mr. Indrajit Sen, Managing Director & Mr. S. C. Saha, Company Secretary, which is responsible for implementing the Risk Management Plan framed by the Board.

(d) Matters related to capital market

The Company has complied with the requirements of the Stock Exchanges, SEBI and other authorities on all matters relating to capital markets. No penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter relating to capital markets during the last three years.

(e) Management Discussion & Analysis Report

The Management Discussion & Analysis Report, as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, is attached to and forms a part of the Directors' Report.

(f) Code of Conduct

The Company has laid down a Code of Conduct for all Board members and Senior Managerial Personnel of the Company. In accordance with the Companies Act, 2013, the Code of Conduct has been revised to include therein the Code for Independent Directors as specified in Schedule IV to the said Act. The Code of Conduct is available on the website of the Company at www.internationalcombustion.in. All Board members and Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. A declaration to this effect duly signed by the Managing Director of the Company is annexed along with this Report.

(g) Vigil Mechanism (Whistle Blower Policy)

As required under the Companies Act, 2013 & Regulation 22 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Vigil Mechanism (Whistle Blower Policy) of the Company was adopted by the Board on 2nd May, 2014 and placed on the Company's website for the purpose of enabling the Directors and Employees to report unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct or ethics policy. The Audit Committee of the Board has been made responsible

Report on Corporate Governance (Contd.)

for overseeing/ monitoring the functioning and implementation of the said Vigil Mechanism. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee or its Chairperson.

(h) Compliance Certificate by CEO & CFO

The Managing Director (CEO) and the Chief Financial Officer (CFO) have given a Compliance Certificate to the Board of Directors, as required under Regulation 17(8) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II to the said Regulations, for the Financial Year ended 31st March, 2018, which is annexed at the end of this Report.

(i) Means of Communication

Quarterly/half yearly unaudited and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are reviewed by the Audit Committee and approved by the Board. An extract of the Quarterly (Standalone) and Annual (Standalone & Consolidated) Financial Results are normally published in leading English Daily newspaper (Business Standard/ Business Line/ Financial Express - all editions) and a Bengali Daily (Aaj Kal). The same is also posted on the website of the Company, www.internationalcombustion.in.

(j) Independent Directors

In accordance with the Companies Act, 2013, the maximum tenure of the Independent Directors has now been fixed at five years from the date of their appointment or the commencement of the Act, whichever is later, subject, however, to the possibility of a second and final term of five years with the consent of the shareholders vide a Special Resolution. A formal letter of appointment is issued to Independent Directors and the same is placed on the website of the Company.

The performance evaluation of the Independent Directors is carried out on a yearly basis by the entire Board (excluding the Director being evaluated) on the basis of the following evaluation criteria formulated by the Nomination & Remuneration Committee of the Board:-

- i) Adequacy of Preparation by the Director for Board & Committee Meetings,
- ii) Effectiveness of Participation by the Director at Board & Committee Meetings,
- iii) Insight & Observations given/ made by the Director
- iv) Expression of Views by the Director,
- v) Amount of time provided by the Director even outside Board/ Committee Meetings,
- vi) Understanding by the Director of the sector and needs of the Company, and
- vii) Level of confidence and respect of the Board & Management enjoyed by the Director.

A separate meeting of Independent Directors is held once a year to review the performance of non-independent Directors & the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the Company management and Board.

The details of familiarization programmes for Independent Directors has been posted on the website of the Company (weblink : http://www.internationalcombustion.in/admin/uploadpdf/FAM_PROG_ID.pdf).

Report on Corporate Governance (Contd.)

(k) Quarterly Compliance Report on Corporate Governance

As required under Regulation 27 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Quarterly and Half-Yearly/ Yearly Compliance Report(s) on Corporate Governance in the prescribed format signed by the Compliance Officer is submitted to the Stock Exchanges within fifteen days of the end of the quarter.

(l) Certificate by Practising Company Secretary on Compliance of Conditions of Corporate Governance

As stipulated under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, the Company has obtained a certificate from Mr. Arup Kumar Roy, Practising Company Secretary, confirming compliance of conditions of Corporate Governance by the Company during the Financial Year ended 31st March, 2018 and the same is annexed to the Directors' Report & being sent to the shareholders and Stock Exchanges as part of the Annual Report.

(m) Compliance with Mandatory/ Non-Mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements relating to corporate governance as specified in the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has complied with the following non-mandatory requirements relating to corporate governance as specified in Regulation 27(1) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part E of Schedule II to the said Regulations:

- The Company is maintaining an office for the Non-Executive Chairman at the Registered Office of the Company and the Non-Executive Chairman is also allowed reimbursement of expenses incurred by him in performance of his duties.
- Separate persons have been appointed to the posts of Chairman and Managing Director.
- There is no qualification/ reservation/ adverse remark in the Auditors' Reports to the shareholders of the Company on the Financial Statements (either Standalone or Consolidated) for the Financial Year ended 31st March, 2018.

G. General Shareholders' Information

(a) Annual General Meeting :

The 82nd Annual General Meeting of the shareholders of the Company has been convened on Monday, the 3rd September, 2018 at Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017 at 2.00 P.M.

(b) Financial Year of the Company : 1st April to 31st March.

(c) Financial Calendar:

Sl.No.	Events	Tentative Dates
1	Audited Annual Results for 2017-18	May 23, 2018
2	Mailing of Annual Reports 2017-18	By 3rd August, 2018
3	First Quarter Results (30th June, 2018)	By 14th August, 2018
4	Annual General Meeting	September 3, 2018
5	Second Quarter Results (30th Sept., 2018)	By 14th November, 2018
6	Third Quarter Results (31st Dec., 2018)	By 14th February, 2019
7	Audited Annual Results for 2018-19	By 30th May, 2019

Report on Corporate Governance (Contd.)

(d) Book Closure:

The Share Transfer Books and Register of Members of the Company will remain closed from Tuesday, 28th August, 2018 to Monday, 3rd September, 2018 (both days inclusive) for the purpose of AGM.

(e) Listing of Equity Shares on Stock Exchange:

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and on the Calcutta Stock Exchange Limited, Kolkata (CSE), 7, Lyons Range, Kolkata – 700 001. The Board of Directors of the Company have already resolved to voluntarily delist the equity shares of the Company from the CSE in compliance with the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. However, the equity shares of the Company shall continue to be listed on the BSE. Although the Company has complied with all the procedural requirements for effecting the said voluntary delisting in accordance with the aforementioned SEBI Regulations, the final approval of the CSE confirming the delisting is still awaited.

(f) Listing Fees

The Company has paid the listing fees for the Financial Year 2018-19 to BSE.

(g) Custodial Fees to Depository

The Company has paid the custodial fees upto the Financial Year 2018-19 to the Central Depository Services (India) Limited [CDSL]. The Company has paid the custodial fees upto the Financial Year 2017-18 to the National Securities Depository Limited [NSDL] and the custodial fees for the Financial Year 2018-19 shall be paid to NSDL on receipt of the invoice from them.

(h) Stock Codes : BSE : 505737

CSE : 019233

(i) Demat ISIN Number : INE403C01014.

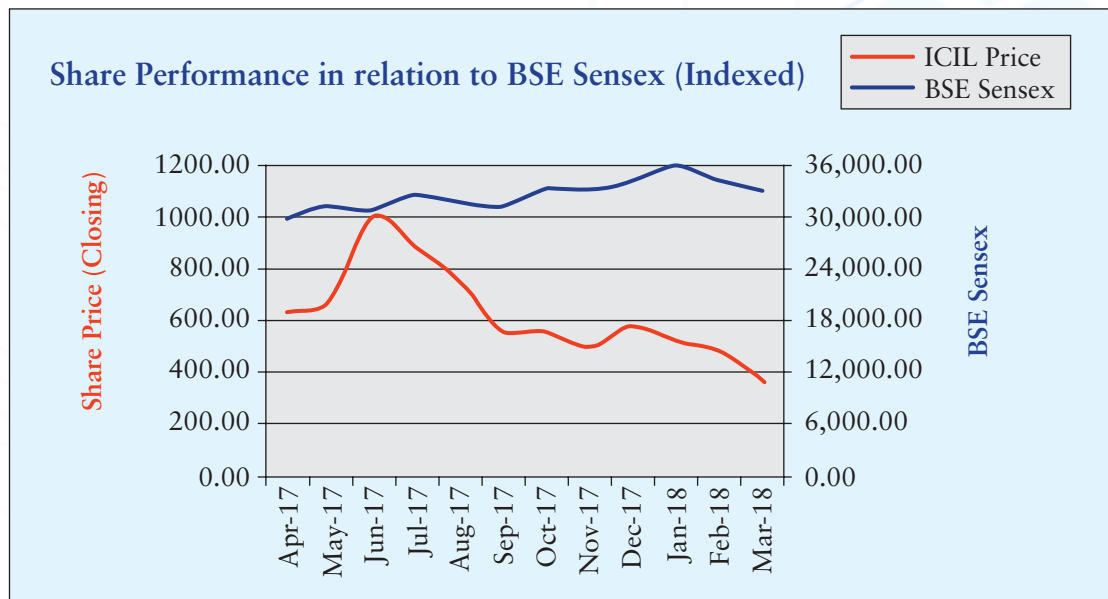
(j) (i) Stock Market price data : (1st April, 2017 to 31st March 2018)

Month/Year	Bombay Stock Exchange Ltd. (BSE)	
	High (Rs.)	Low (Rs.)
April 2017	686.95	587.00
May 2017	736.00	591.25
June 2017	1139.80	682.00
July 2017	1016.00	851.15
August 2017	885.00	660.00
September 2017	778.50	554.00
October 2017	651.00	495.00
November 2017	590.00	455.05
December 2017	610.00	431.20
January 2018	654.00	518.00
February 2018	554.00	452.00
March 2018	490.00	370.00

Report on Corporate Governance (Contd.)

ii) Stock Performance vs. BSE Sensex :

The performance of the Company's equity share scrip on the Bombay Stock Exchange Limited (BSE) in comparison to the BSE Sensex during 2017-18 is graphically represented in the chart below:



k) Registrar and Share Transfer Agents :

The Company has retained C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata – 700019 (CBMS), SEBI registered Registrars & Share Transfer Agents, to carry out the share related activities, both physical and dematerialised.

(l) Share Transfer System

Transfers/ transmissions of shares in scrip/ physical form are processed and share certificates duly endorsed & delivered within a period of fifteen days from the date of receipt thereof, subject to the documents relating to the transfers being valid and complete in all respects. To improve and speed up the investor servicing, the Board has delegated the authority for approving transfers, transmissions, etc. to the Share Transfer & Stakeholders' Relationship Committee which approves the same within a fortnight of the lodgement thereof. The endorsements on the share certificates of the transfers are duly authenticated by the Company Secretary. The Company obtains a half-yearly certificate from a Practicing Company Secretary confirming timely completion of all activities in connection with the share transfers/ transmissions/ transpositions, splits/ consolidations/ issue of duplicate share certificates, rematerialisation of share certificates, etc. as required under Regulation 40(9) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and submits a copy of the same to the Stock Exchanges.

Report on Corporate Governance (Contd.)

(m) Distribution of Shareholding as on 31st March, 2018:

No. of Shares	Shareholders		Shareholding	
	Number	%	No. of Shares held	%
1-500	6512	94.44	4,89,927	20.50
501-1000	226	3.28	1,70,182	7.12
1001-2000	81	1.17	1,14,587	4.79
2001-3000	31	0.45	77,154	3.23
3001-4000	8	0.12	28,225	1.18
4001-5000	6	0.09	27,216	1.14
5001-10000	11	0.16	80,613	3.37
10001 and above	20	0.29	14,02,372	58.67
Total	6895	100.00	23,90,276	100.00

(n) Pattern of Shareholding as on 31st March, 2018:

Sl. No.	Category	No. of Share-holders	No. of Shares	Percent-age of Share-holding
1.	Promoter & Promoter Group	14	12,61,931	52.79
2.	Banks/ Financial Institutions	4	251	0.01
3.	Non-Resident Indians (NRIs)	86	40,095	1.68
4.	Bodies Corporate	118	80,247	3.36
5.	Resident Individuals	6660	9,81,034	41.05
6.	Clearing Members	12	5,591	0.23
7.	Investor Education and Protection Fund Authority	1	21,127	0.88
	Total	6895	23,90,276	100.00

(o) Dematerialisation of Shares :

As on 31st March, 2018, 96.74% of the Company's total paid up capital representing 23,12,359 shares were held in dematerialized form and the balance 3.26% representing 77,917 shares were held in physical scrip form as per details mentioned below:-

Form in which shares held	No. of Shareholders	% of total number of Shareholders	No. of Shares	% of total number of Shares
Physical Scrip Form	921	13.36	77,917	3.26
Dematerialised Form with NSDL	3440	49.89	19,22,238	80.42
Dematerialised Form with CDSL	2534	36.75	3,90,121	16.32
Total	6895	100.00	23,90,276	100.00

Report on Corporate Governance (Contd.)

(p) Liquidity

The average daily number of equity shares of the Company's scrip traded on the Bombay Stock Exchange Limited (BSE) during the Financial Year 2017-18 was 4,253 and the average daily turnover for the scrip on BSE during the Financial Year 2017-18 was Rs. 29.90 lac.

(q) Outstanding Convertible Instruments

No securities/ instruments/ warrants convertible into equity shares of the Company are outstanding as on 31st March, 2018.

(r) Share Capital Reconciliation Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified Practising Company Secretary has been appointed to carry out the Share Capital Reconciliation Audit at quarterly intervals to reconcile the total admitted Capital held in dematerialised form in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form with the total issued and listed Capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report, inter-alia, confirms that the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in the physical mode.

(s) Foreign Exchange Exposure

The Company has limited exposure to foreign exchange rate fluctuations due to its low level of import and export activities and the absence of external commercial borrowings. The limited export and import activities of the Company act as a natural hedge against each other to a substantial extent. The Company does not have any direct exposure to commodity price changes/ risks.

(t) Transfer of Equity Shares to Unclaimed Suspense Account/ IEPF Authority :

- i) There are no shares issued by the Company which are required to be transferred to the Unclaimed Suspense Account/ Demat Suspense Account in terms of Regulation 39(4) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule VI to the said Regulations.
- ii) As required under Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, 21,127 equity shares of the Company, representing 0.88% of the paid-up equity share capital of the Company and belonging to shareholders who had not encashed their dividend warrants for seven consecutive Financial Years, were transferred in favour of the Investor Education and Protection Fund Authority in dematerialized form in November, 2017.
- iii) Further, the Company shall be giving three months' notice to those shareholders whose shares are due to be transferred in favour of the IEPF Authority during the Financial Year 2018-19 by sending individual letters to them through Registered Post, hosting the details of the relevant shares on the Company website and by issuing necessary advertisements in newspapers as required under the aforementioned Rules.

(u) Registered & Corporate Office

: Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP&GP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091, West Bengal.

Report on Corporate Governance (Contd.)

(v) **Factory Locations:**

(i) **Mineral & Material Processing and Handling Equipment Division**

Baidyabati Works : 156 (371), G. T. Road Baidyabati, Dist. Hooghly – 712 222, West Bengal.

Nagpur Works : L-7, MIDC Industrial Estate, Hingna, Nagpur – 440016, Maharashtra.

(ii) **Geared Motors & Gear Boxes Division**

Aurangabad Works : B-74/1, MIDC Waluj Industrial Area, P.O. Bajaj Nagar,
Aurangabad – 431136, Maharashtra.

(iii) **Building Material Division**

Ajmer Works : Plot No. B-300, Ajaymeru Palra, RIICO Industrial Area,
Ajmer – 305025, Rajasthan.

(w) **Regional/ Branch Offices :**

Aurangabad	: B-74/1, MIDC Waluj Industrial Area, P.O. Bajaj Nagar, Aurangabad – 431136, Maharashtra.
Bengaluru	: No. 548/51, 2nd Floor, Andal Temple Street, (Behind R. V. Teacher's College) R.V. Road, Basavanagudi, Bengaluru – 560 004.
Chennai	: The Polygon, 2nd Floor, Door No. 56/142, Anna Salai, Saidapet Chennai – 600015.
Hyderabad	: Flat No. 303, Bhanu Enclave, 7-1-638 to 643, Sundar Nagar, Hyderabad – 500038.
Indore	: 308, B-Block, 3rd Flr., Prakrati Corporate (Nr. Malwameel Square), Y.N.Road, Indore-452002, Madhya Pradesh.
Jamshedpur	: 4th Floor, Office No. 4, H. No. 5, Line No. 2, S.B. Shop Area, Meghdeep Building, Q. Road, Bistupur, Jamshedpur – 831 001, Jharkhand.
Kolkata	: Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700091, West Bengal.
Mumbai	: 407, Acme Plaza, 4th Floor, B-Wing, Andheri Kurla Road, Opp. Sangam Theatre, Andheri (East), Mumbai – 400059. Maharashtra.
Nagpur	: L-7, MIDC Industrial Estate, Hingna, Nagpur – 440016, Maharashtra.
New Delhi	: 2E/28, Jhandewalan Extn. New Delhi – 110055
Pune	: D 407 Business Court, Mukund Nagar, Pune – 411 037
Vadodara	: 307, 3rd Floor, 'Opal Square Building', R.C. Dutta Road, Alkapuri, Vadodara – 390007

Report on Corporate Governance (Contd.)

(x) Total number of Employees as on 31.03.2018 : 477.

(y) Address for Shareholders' Correspondence :

i) **For Shares held in Physical Form** – All correspondence regarding share transfers/ transmissions, change of address, bank mandates, nomination, etc. should be addressed to the Registrars and Share Transfer Agents of the Company at the following address :

C. B. Management Services (P) Limited

Unit : International Combustion (India) Limited

P-22, Bondel Road, Kolkata – 700019

Telephone : (033) 40116700/6715/6717/6724/6742

Fax : (033) 4011-6739

E-mail : rta@cbmsl.com

ii) **Shares held in Dematerialized Form** – All correspondence regarding change of address, bank mandates, nomination, etc. should be addressed to their respective depository participants.

iii) **For Shares held in Physical/ Dematerialized Form** – All correspondence regarding non-receipt of dividend, non-receipt of Annual Report or regarding any other general matter or regarding any difficulties, complaints or grievances, may be addressed to the Registrars and Share Transfer Agents of the Company at their address mentioned above or to Mr. S. C. Saha, Company Secretary (Compliance Officer) at the Registered Office at Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata 700 091 (Phone No. : 033-33153000/3013; Fax No.: 033-23576653) or sent by email at sc.saha@internationalcombustion.in.

For & on behalf of the Board

Kolkata
23rd May, 2018

Sanjay Bagaria
Chairman

CEO and CFO Certification

The Board of Directors
International Combustion (India) Limited

SUB : COMPLIANCE CERTIFICATE BY CEO / CFO

Dear Sirs,
We hereby certify that:-

- (a) We have reviewed the Financial Statements (both Standalone & Consolidated) of the Company for the Financial Year ended 31st March, 2018, drawn up in accordance with the Companies (Indian Accounting Standards) Rules, 2015, i.e. the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, for the Financial Year ended 31st March, 2018, the Balance Sheet as on that date and the Cash Flow Statement and the Statement of Changes in Equity for the Financial Year ended on that date (including the notes, schedules, annexures & attachments thereto) and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the Indian Accounting Standards (IND AS), applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.However, during the year, there were no such instances.

Yours Sincerely

Kolkata
Date : 23rd May, 2018

Indrajit Sen
Managing Director
(CEO)

Asish Kumar Neogi
Chief Financial Officer
(CFO)

DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO SCHEDULE V OF THE SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH REGULATIONS 34(3) & 26(3) OF THE SAID REGULATIONS

To
The Shareholders of
International Combustion (India) Limited

Sub : Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct of the Company (including the Code for Independent Directors applicable to Independent Directors as required under Schedule IV to the Companies Act, 2013), as adopted by the Board of Directors, for the Financial Year 2017-18.

Kolkata
Date : 23rd May, 2018

Indrajit Sen
Managing Director



Corporate Governance Compliance Certificate

CIN of the Company : L36912WB1936PLC008588

Nominal Capital : ₹ 2,39,02,760/-

To

The Members

International Combustion (India) Limited

Infinity Benchmark, 11th Floor,

Plot No. G-1, Block EP & GP, Sec V,

Salt Lake Electronics Complex

Kolkata – 700091.

I have examined all relevant records of International Combustion (India) Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Regulation 46 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedules II & V to the said Regulations for the Financial Year ended 31st March, 2018. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of the certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with –

- (a) all the mandatory conditions of Regulations 17 to 27 and Regulation 46 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedules II & V to the said Regulations, and
- (b) the following non-mandatory/ discretionary requirements specified in Regulation 27(1) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part E of Schedules II to the said Regulations :-
 - i) The Company is maintaining an office for the Non-Executive Chairman at the Registered Office of the Company and the Non-Executive Chairman is also allowed reimbursement of expenses incurred by him in performance of his duties.
 - ii) Separate persons have been appointed to the posts of Chairman and Managing Director.
 - iii) The Auditors' Report to the shareholders of the Company on the Financial Statements (both Standalone & Consolidated) of the Company for the Financial Year ended 31st March, 2018 is with unmodified audit opinion.

Place : Kolkata

Date : 23rd May, 2018

Arup Kumar Roy

Practicing Company Secretary

Membership No. : ACS-6784

Certificate of Practice No. : 9597

Independent Auditors' Report

To The Members International Combustion (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of International Combustion (India) Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as “financial statements”).

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Independent Auditors' Report (Contd.)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations against the Company on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Kolkata
Date: 23rd May, 2018

For Ray & Ray
Chartered Accountants
Firm's Registration No.301072E

Abhijit Neogi
Partner
Membership No. 61380

Independent Auditors' Report (Contd.)

Annexure A to Auditors' report

The Annexure referred to in paragraph 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report at even date

- i. (a) The Company maintains its fixed assets register showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Fixed Assets of the Company have been physically verified by the management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, any material discrepancy noticed on such verification between book records and the physical records has been properly dealt with in the books of account.
 - (c) According to the information and explanation given to us, the Company is presently not in possession of any immovable property.
- ii. Inventories have been physically verified by the Management during the year at reasonable intervals. The discrepancies noticed on verification between the physical records and book records were not material and have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses 3(iii) (a), (b) and (c) of the aforesaid Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not violated the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- v. The Company has not accepted any deposits from the public. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, income-tax, sales-tax, service tax, custom duty, excise duty, goods and service tax, value added tax, cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, sales tax, value added tax, custom duty, excise duty, goods and service tax, income tax, service tax and Cess were outstanding, as at 31st March, 2018 for a period of more than six months from the date they became payable.

 - (b) According to the information and explanations given to us, there are no dues of income tax, sales tax / value added tax, service tax, custom duty, excise duty and goods and service tax which have not been deposited as at 31st March, 2018 on account of any dispute.
- viii. The Company has taken loan from banks and is regular in repayment. The Company has not issued any debentures during the year.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has not taken any term loan during the year.
- x. During the course of our examination of the books of account carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company, nor have we been informed of any such case by the Management.
- xi. The Company has complied with the requirement of Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.

Independent Auditors' Report (Contd.)

- xii. The Company is not a Nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable
- xiii. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

Place : Kolkata
Date: 23rd May, 2018

For Ray & Ray
Chartered Accountants
Firm's Registration No.301072E

Abhijit Neogi
Partner
Membership No. 61380

“Annexure B” to Auditors' Report of International Combustion (India) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of International Combustion (India) Limited (“the Company”) as at 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those

Independent Auditors' Report (Contd.)

Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kolkata
Date: 23rd May, 2018

For Ray & Ray
Chartered Accountants
Firm's Registration No.301072E

Abhijit Neogi
Partner
Membership No. 61380

**Balance Sheet As at 31st March, 2018**

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	5	4615.87	4979.96	3839.12
(b) Capital Work-in-Progress	5 & 6	38.79	70.23	577.64
(c) Intangible Assets	6	86.16	60.41	14.63
(d) Financial Assets				
(i) Investments	7	930.28	1825.21	2128.51
(ii) Other Financial Assets	8	730.07	596.21	225.65
(e) Other Non-Current Assets	9	-	-	113.04
		6401.17	7532.02	6898.59
Current Assets				
(a) Inventories	10	3404.62	3038.43	2964.16
(b) Financial Assets				
(i) Investments	11	1525.17	1236.29	785.37
(ii) Trade Receivables	12	3876.65	3859.75	4095.03
(iii) Cash and Cash equivalents	13	126.14	133.94	175.43
(iv) Bank Balances other than (iii) above	14	44.42	120.56	92.00
(v) Loans	15	-	-	0.54
(vi) Other financial assets	16	54.72	18.59	25.15
(c) Other Current Assets	17	370.46	492.02	417.37
		9402.18	8899.58	8555.05
Total Assets		15803.35	16431.60	15453.64
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	18	239.03	239.03	239.03
(b) Other Equity	19	9173.11	9421.90	9225.28
		9412.14	9660.93	9464.31
Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	1318.18	1962.01	2401.35
(ii) Other Financial Liabilities	21	-	-	81.44
(b) Provisions	22	128.89	101.66	72.15
(c) Deferred Tax Liabilities (Net)	23	44.05	175.05	146.91
		1491.12	2238.72	2701.85
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	860.56	954.95	735.43
(ii) Trade Payables	25	2230.23	1745.84	1289.98
(iii) Other Financial Liabilities	26	713.73	941.82	554.37
(b) Other Current Liabilities	27	952.82	732.63	601.92
(c) Provisions	28	94.26	88.78	69.71
(d) Current Tax Liabilities (Net)	29	48.49	67.93	36.07
		4900.09	4531.95	3287.48
Total Equity and Liabilities		15803.35	16431.60	15453.64

Significant Accounting Policies and other accompanying Notes (1 to 48) form an integral part of the financial statements.

This is the Balance Sheet as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

Abhijit Neogi
Partner
(Membership No. 61380)
Place: Kolkata
Date: 23rd May, 2018

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Statement of Profit & Loss for the year ended 31st March, 2018

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue From Operations	30	10763.90	10857.91
Other Income	31	293.29	847.28
Total Income		11057.19	11705.19
EXPENSES			
Cost of materials consumed	32	4991.81	4293.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(120.65)	5.39
Employee benefits expense	34	3279.17	3069.35
Finance costs	35	396.84	402.28
Depreciation and amortisation expense	36	524.07	506.95
Other expenses	37	2345.66	3156.72
Total Expenses		11416.90	11434.00
Profit/(Loss) before tax		(359.71)	271.19
Tax Expense:	38		
Current tax		-	21.71
Deferred tax/(Reversal)		(124.80)	35.78
Total Tax Expenses		(124.80)	57.49
Profit/(Loss) for the year		(234.91)	213.70
Other Comprehensive Income/ (Loss)			
(i) Items that will not be reclassified to profit or loss	39	(20.08)	(24.72)
(ii) Income tax relating to items that will not be reclassified to profit or loss	38.3	6.20	7.64
Other Comprehensive Income for the year (Net of taxes)		(13.88)	(17.08)
Total Comprehensive Income/(Loss) for the year		(248.79)	196.62
Earnings per equity share of par value of Rs. 10 each.	42		
(1) Basic (Rs.)		(9.83)	8.94
(2) Diluted (Rs.)		(9.83)	8.94

Significant Accounting Policies and other accompanying Notes (1 to 48) form an integral part of the financial statements.

This is the Statement of Profit and Loss
as per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

Abhijit Neogi
Partner
(Membership No. 61380)
Place: Kolkata
Date: 23rd May, 2018

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No. 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No. 00233455)

A.K. Neogi
Chief Financial Officer

Statement of changes in Equity for the year ended March 31, 2018

A. Equity Share Capital	Amount (₹ in lakhs)
Balance as at April 1, 2016	239.03
Changes during the year	-
Balance as at March 31, 2017	239.03
Changes during the year	-
Balance as at March 31, 2018	239.03

B. Other Equity

As at March 31, 2018

(₹ in lac)

Particulars	Reserves and Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 01, 2017	605.34	890.41	7301.82	703.26	(78.93)	9421.90
Total Comprehensive Income for the year	-	-	-	(234.91)	(13.88)	(248.79)
Balance at March 31, 2018	605.34	890.41	7301.82	468.35	(92.81)	9173.11

As at March 31, 2017

Particulars	Reserves and Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 1, 2016	605.34	890.41	7301.82	489.56	(61.85)	9225.28
Total Comprehensive Income for the year	-	-	-	213.70	(17.08)	196.62
Balance at March 31, 2017	605.34	890.41	7301.82	703.26	(78.93)	9421.90

Refer Note no. 19 for nature and purpose of reserves.

This is the Statement of changes in Equity
as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

Abhijit Neogi
Partner
(Membership No. 61380)
Place: Kolkata
Date: 23rd May, 2018

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Cash Flow for the Year Ended March 31, 2018

(₹ in lac)

Particulars	Year ended		Year ended	
	March 31 2018	March 31 2018	March 31 2017	March 31 2017
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		(359.71)		271.19
Add: Depreciation and amortisation expenses	524.07		506.95	
Irrecoverable Debts/Advances written off	58.01		75.31	
Provision for expected Credit losses	16.66		1.72	
Finance Cost	396.84	995.58	402.28	986.26
		635.87		1257.45
Less: Interest Income	12.44		15.22	
Net gain/(loss) on sale of Current Investments (net)	6.84		14.70	
Net gain/(loss) on fair valuation of investments through profit and loss (net)	173.57		251.46	
Net gain/(loss) on Foreign Exchange fluctuation and translation	-		(1.33)	
Provisions / Liabilities no longer required written back	42.18		50.48	
Fair valuation of Surrender Value of Keyman Insurance policy	58.64		497.62	
Profit/(Loss) on sale / discard of Fixed Assets (Net)	(0.97)	292.70	1.56	829.71
Operating Profit before Working Capital changes		343.17		427.74
Less: Increase/(Decrease) in Inventories	366.19		74.27	
Increase/(Decrease) in Trade Receivables	91.57		(156.66)	
Increase/(Decrease) in Loans & advances, other financial and non-financial assets	(86.60)		75.53	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	(759.38)	(388.22)	(661.17)	(668.03)
Cash generated from Operations		731.39		1095.77
Less: Direct Taxes paid (Net)		19.44		(10.15)
Net cash flow from Operating activities (A)		711.95		1105.92
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and movements in Capital work in progress	(415.83)		(997.31)	
(Purchase)/Sale of Investment (net)	786.46		118.54	
Interest received	12.44		15.22	
Investment in fixed deposits (having original maturity of more than 3 months)	(0.25)	382.82	106.48	(757.07)
Net Cash flow from Investing activities (B)		382.82		(757.07)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayments) from short term borrowings (net)	(94.39)		219.52	
Proceeds/(Repayments) from long term borrowings (net)	(605.89)		(207.15)	
Interest and other borrowing cost paid	(399.97)		(400.37)	
Dividends	(2.32)	(1102.57)	(2.34)	(390.34)
Net cash flow from Financing activities (C)		(1102.57)		(390.34)
Cash and Cash equivalents (A+B+C)		(7.80)		(41.49)
Cash and Cash equivalents as at 1st April		133.94		175.43
Cash and Cash equivalents as at 31st March (Refer note no. 13)		126.14		133.94

Note: The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7- 'Statement of Cash Flows'.

This is the Cash Flow Statement as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray

Chartered Accountants
(Firm's Registration No. 301072E)

Abhijit Neogi

Partner
(Membership No. 61380)
Place: Kolkata
Date: 23rd May, 2018

I. Sen

Managing Director
(DIN No. 00216190)

S.C. Saha

Company Secretary

S. Bagaria

Chairman
(DIN No. 00233455)

A.K. Neogi

Chief Financial Officer

Notes to Financial Statements for the year ended March 31, 2018

1 Corporate Information

International Combustion (India) Limited is a public limited company in India, having its registered office in Kolkata, West Bengal located in India engaged in the manufacture and supply of Heavy Engineering Equipment, Geared Motors and Gear Boxes and Dry Mix Products. The Company's shares are listed and publicly traded on the Bombay Stock Exchange Limited.

The Consolidated Financial Statements relates to International Combustion (India) Limited (hereinafter referred to as 'the Company') and its joint ventures as detailed below:

Investment in Joint Ventures

Name of the Joint Venture	Principal Activity	Principal place of business	Effective proportion of ownership interest (%)		
			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Mozer Process Technology Private Limited	Trading in Mozer Dryers	India	50.00%	50.00%	50.00%

2 Statement of Compliance and Recent Pronouncements

2.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Financial Statements have been recasted/restated to make it comparable with current year figures.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented (Note No 47), a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note No. 47(b) of the financial statement.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

2.2 Recent Pronouncements

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115, “Revenue from Contract with Customers” and Appendix B to Ind AS 21 “Foreign currency transactions and advance consideration” which are applicable with effect from financial periods beginning on or after April 1, 2018.

Ind AS 115 – Revenue from Contract with Customers

The standard requires that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The effect of this amendment on the financial statements of the company is being evaluated.

Ind AS 21 – Appendix B “Foreign currency transactions and advance consideration”

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). The effect of this amendment on the financial statements of the company is being evaluated.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention except certain financial instruments which are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 ‘Presentation of Financial Statements’ and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- (a) **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) **Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- (c) **Level 3:** Inputs for the asset or liability which are not based on observable market data.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, inward freight, dismantling costs, installation expenses and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. For major projects, interest and other costs incurred on / related to direct borrowings to finance projects / fixed assets during construction period and related pre-operative expenses, if appropriate, are capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses of equipments to be installed, construction and erection materials, advances etc. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortization of Expenses:

“Depreciation on Property, Plant and Equipment (other than on certain building and vehicles which is amortised over the period of lease) is provided on useful life as specified in Schedule II of the Companies Act, 2013 on the following basis:

- (a) Nagpur, Aurangabad and Ajmer Units - on straight line method;
- (b) Other Units - on written down value method.
- (c) Leasehold Land being perpetuity in nature and having a term upto 99 years of lease with an option of renewal has not been amortised.

Intangible assets are amortized on straight line method over a period of six years.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows.

Category	Useful life (years)
Buildings	
Non-Factory Building (RCC Frame Structure)	60
Factory Building	30
Roads	
Carpeted Roads-RCC	-
Carpeted Roads-other than RCC	-
Non-Carpeted Roads	3

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

Category	Useful life (years)
Plant and machinery	
Continuous Process Plant	15
Computer equipment	
Servers and networks	6
Others	3
Furniture and fixtures and Laboratory Equipment's	10
Office equipment	5
Vehicles	
Motor cycles, scooters and other mopeds	-
Others	8

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, Technical Knowhow fees, cost of computer software packages (ERP and others) and Patents are amortized over a period of 6 years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible Assets

Tangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of Profit and Loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair Value Through Profit and Loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit and Loss. These are recognised at fair value and changes therein are recognized in the statement of Profit and Loss.

(vi) Investments in Joint Venture are being carried at cost.

(vii) Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(viii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in case of work-in-progress and finished goods represent material, labour, and other appropriate overheads. Cost in respect of raw materials, components, stores and spares include expenses incurred for procuring the same.

3.9 Asset Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account. Foreign exchange gain/loss to the extent considered as adjustment to interest cost are considered as part of borrowing cost.

3.11 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.13 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund, Superannuation Fund and Pension Fund is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity scheme and Interest Rate Guarantee on Provident Fund schemes which are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Other long term employee benefits consisting of leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

3.14 Revenue

Sale of goods:

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes and duties collected on behalf of third parties and is inclusive of excise and other duties which the company pays as principal.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

Export Benefits

Export benefits are accounted for as and when the ultimate realisability of such benefits are established.

3.15 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under “Other Income” or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

that the future economic benefit associated with the same will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

4.1 An arrangement containing leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.2 Depreciation / amortization and impairment loss on property, plant and equipment

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.3 Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

4.5 Provisions and Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy. Based on management best estimates the same does not qualify for recognition in the financial statements.

4.6 Insurance Claim and Liquidated damages

Insurance claims are accounted as and when admitted/settled. Liquidated damages and penalties are accounted for in accordance with the terms of agreement for loss of opportunity/profit of the company due to delay in completion. Subsequent changes in value if any are provided for.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose/ Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Impairment on Investments in Joint Venture

Investments in Joint Venture are been carried at cost. The company has tested for impairment at year end based on the Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

5. Property, Plant and Equipment:

As at March 31, 2018

Particulars	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2017	3.04	549.05	1166.38	578.35	2810.96	72.79	18.75	3.27	258.24	5460.82	50.06	5510.88
Additions	-	-	27.38	-	116.77	1.17	-	1.48	1.79	148.59	13.45	162.04
Disposals	-	-	-	-	15.83	2.88	6.15	0.66	-	25.52	24.72	50.24
Gross Block as at March 31, 2018	3.04	549.05	1193.76	578.35	2911.90	71.08	12.60	4.09	260.03	5583.89	38.79	5622.68
Accumulated Depreciation as at April 1, 2017	-	0.05	61.50	43.29	320.58	20.60	6.16	0.80	27.88	480.86	-	480.86
Charge for the period	-	0.05	65.09	40.04	355.89	14.29	5.63	1.44	27.38	509.81	-	509.81
Disposals	-	-	-	-	15.83	0.79	5.37	0.66	-	22.65	-	22.65
Accumulated Depreciation as at March 31, 2018	-	0.10	126.59	83.33	660.64	34.10	6.42	1.58	55.26	968.02	-	968.02
Net carrying amount as at March 31, 2018	3.04	548.95	1067.17	495.02	2251.26	36.98	6.18	2.51	204.77	4615.87	38.79	4654.66

As at March 31, 2017

Particulars	Freehold land	Perpetual Lease	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2016	3.04	549.05	532.40	578.35	1940.54	51.10	23.52	0.30	160.83	3839.12	536.5	4375.62
Additions	-	-	633.98	-	876.87	22.26	-	3.05	97.41	1633.57	614.78	2248.35
Disposals	-	-	-	-	6.45	0.57	4.77	0.08	-	11.87	1101.22	1113.09
Gross Block as at March 31, 2017	3.04	549.05	1166.38	578.35	2810.96	72.79	18.75	3.27	258.24	5460.82	50.06	5510.88
Accumulated Depreciation as at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	0.05	61.50	43.29	326.59	21.17	10.89	0.88	27.88	492.25	-	492.25
Disposals	-	-	-	-	6.01	0.57	4.73	0.08	-	11.39	-	11.39
Accumulated Depreciation as at March 31, 2017	-	0.05	61.50	43.29	320.58	20.60	6.16	0.80	27.88	480.86	-	480.86
Net carrying amount as at March 31, 2017	3.04	549.00	1104.88	535.06	2490.38	52.19	12.59	2.47	230.36	4979.96	50.06	5030.02

Notes:

5.1 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date (Refer note no. 47).

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

5. Property, Plant and Equipment (Contd.):

As at March 31, 2017 (Contd.)

Notes (Contd.):

5.2 The Building Material Division of the Company for the manufacture of dry mix product has been commissioned on March 31, 2016

5.4 Refer Notes 20.2, 20.3 and 24.1 to financial statements in respect of charges created against borrowings

5.5 Details of assets under lease included above

A. Finance Lease disclosures:

The leasehold lands located at Nagpur, Aurangabad, Ajmer and Kolkata has been classified under finance lease. The lease term ranges from 89 to 99 years.

The net carrying amount of the leasehold land, classified as finance lease, is Rs. 548.95 lac as at March 31, 2018 (March 31, 2017: Rs. 549 lac and April 1, 2016: Rs. 549.05 lac).

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at March 31,2018	As at March 31,2017	As at March 31,2018	As at March 31,2017
Not later than one year	0.38	0.38	0.18	0.20
Later than one year and not later than five years	2.53	2.46	1.02	0.90
Later than five years	189.89	190.34	1.63	1.75

(₹ in lac)

5.6 Capital Work-in-Progress includes Plant and Equipments, construction including material and other costs and other assets amounting to Rs. 38.79 lac (March 31, 2017: Rs. 70.23 lac and April 1, 2016: Rs 577.64 lac) under installation and the following pre-operative expenditure incurred towards construction and other activities directly attributable to construction of said assets pending completion of the project. Details of such expenditure are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Amount brought forward	-	48.64
Addition during the year	-	-
Less : Capitalised during the year	-	(48.64)
Total pre-operative expenses carried forward pending allocation	-	-

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

6. Other Intangible Assets:

As at March 31, 2018

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2017	44.71	23.64	6.76	75.11	20.17	95.28
Additions	40.01	-	-	40.01	19.84	59.85
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	40.01	40.01
Gross Block as at March 31, 2018	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2017	9.36	3.60	1.74	14.70	-	14.70
Charge for the period	8.76	3.94	1.56	14.26	-	14.26
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2018	18.12	7.54	3.30	28.96	-	28.96
Net carrying amount as at March 31, 2018	66.60	16.10	3.46	86.16	-	86.16

As at March 31, 2017

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2016	7.85	0.02	6.76	14.63	41.14	55.77
Additions	36.86	23.62	-	60.48	24.09	84.57
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	45.06	45.06
Gross Block as at March 31, 2017	44.71	23.64	6.76	75.11	20.17	95.28
Accumulated Depreciation as at April 1, 2016	-	-	-	-	-	-
Charge for the period	9.36	3.60	1.74	14.70	-	14.70
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2017	9.36	3.60	1.74	14.70	-	14.7
Net carrying amount as at March 31, 2017	35.35	20.04	5.02	60.41	20.17	80.58

Notes:

6.1 The Company has elected to continue with the carrying value of its Intangible Assets recognised as on April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date (Refer note no. 47).

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

7. Non-Current Investments
(Fully paid up except otherwise stated)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Holding Nos.	Value	Holding Nos.	Value	Holding Nos.	Value
Investments in Equity Instruments						
Investment measured at Cost						
Unquoted						
Joint Venture						
Mozier Process Technology Private Limited (Face value of Rs.10/- each)	500000	50.00	500000	50.00	500000	50.00
		50.00		50.00		50.00
Investment in Mutual Funds						
Investment measured at fair value through Profit and Loss						
Quoted						
BOI AXA Corporate Credit Spectrum Fund (Face Value of Rs. 10 each)	837479	111.79	837479	102.66	-	-
ICICI Prudential Fixed Maturity Plan-Sr:75-1246 Days-Plan U (Face Value of Rs. 10 each)	-	-	3000000	377.89	3000000	332.11
Korak FMP Series 172 - 1126 Days (Face Value of Rs. 10 each)	1500000	221.44	1500000	181.70	1500000	166.20
Birla Sunlife Fixed Term Plan-Corp Bond Sr:A 1170 D (Face Value of Rs. 10 each)	-	-	-	-	3000000	373.99
ICICI Prudential FMP Series 73 -1140 Days (Face Value of Rs. 10 each)	-	-	-	-	2000000	243.34
Reliance Fixed Horizon Fund XXVII Sr.3 (Face Value of Rs. 10 each)	-	-	-	-	2000000	232.17
HDFC FMP 1184D January 2015(I) - Sr.33 (Face Value of Rs. 10 each)	-	-	2000000	248.49	2000000	223.88
Korak FMP Series 127-730 Days (Face Value of Rs. 10 each)	-	-	1500000	204.69	1500000	185.78
HDFC FMP 1213 D Mar 2017(1) Reg Gr. (Face Value of Rs. 10 each)	3000000	323.73	3000000	300.92	-	-
UTI-FTIF-Series XXII-VI (1098 Days) Growth Plan (Face Value of Rs. 10 each)	-	-	3000000	358.86	3000000	321.04
ICICI Prudential FMP Series 81 -1101 Days-Plan E (Face Value of Rs. 10 each)	2000000	211.96	-	-	-	-
Korak FMP 183 -Direct Plan Growth (Face Value of Rs. 10 each)	42000	5.17	-	-	-	-
Korak FMP 186 -Direct Plan Growth (Face Value of Rs. 10 each)	50000	6.19	-	-	-	-
Total -Non -Current Investments		880.28		1775.21		2078.51
Aggregate NAV of Quoted Investments		930.28		1825.21		2128.51
- Mutual Funds		880.28		1775.21		2078.51

7.1 The Company as on the transition date has adopted to measure investment in Joint Venture at Cost (Refer note no. 47)

7.2 Particulars of Investments as required under section 186(4) of the Companies Act, 2013 has been disclosed herein above

7.3 Refer Note No. 20.1 and 24.2 to financial statements in respect of charges created against borrowings

7.4 Details of Joint Venture in accordance with Ind AS 112 " Disclosure of Interest in other entities"

Name of the Company	Country	Proportion of Ownership Interest/ Voting rights by the Company
Mozier Process Technology Private Limited	India	50%

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

8. Other Financial Assets

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good				
Security Deposits		63.48	64.65	56.67
Fixed Deposit with Banks (having original maturity of more than 1 year)	14.1	110.33	33.94	168.98
Surrender Value of Keyman Insurance Policy	8.1	556.26	497.62	-
		730.07	596.21	225.65

8.1 The Company has recognised the surrender value of Keyman insurance policy considering the expected accrual of proceeds thereof on maturity in favour of the company.

9. Other Non-Current Assets

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances		-	-	113.04
		-	-	113.04

10. Inventories

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials		1380.10	1150.81	1105.84
Raw materials in transit		-	-	0.50
Work-In-Progress		521.19	636.18	672.60
Finished goods		1248.00	1012.36	981.33
Packing Materials		222.63	17.68	19.22
Stores and spares		32.70	221.40	184.67
		3404.62	3038.43	2964.16

Note: Refer Note No. 24.1 to financial statements in respect of charges created against borrowings

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

11. Current Investments

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Holding	Value	Holding	Value	Holding	Value
Investment measured at fair value through Profit and Loss Investment in Mutual Funds						
Mutual Funds (Quoted)	Nos.		Nos.		Nos.	
Reliance Fixed Horizon Fund XXIII Sr.11 (Face Value of Rs. 10 each)	-	-	-	-	3000000	368.60
Birla Sunlife Fixed Term Plan - Series.-JJ (Face Value of Rs. 10 each)	-	-	-	-	1000000	121.94
DHFL Pramerica Fixed Maturity Plan Sr.68 (Face Value of Rs. 10 each)	-	-	2500000	313.85	2500000	294.83
UTI-FTIF Series XXII-VI(1098 D) Growth Fund (Face Value of Rs. 10 each)	3000000	389.82	-	-	-	-
Reliance Fixed Horizon Fund XXVII Sr.3 (Face Value of Rs. 10 each)	-	-	2000000	254.24	-	-
ICICI Prudential FMP Series 73 - 1140 Days (Face Value of Rs. 10 each)	-	-	2000000	263.39	-	-
Birla Sunlife Fixed Term Plan-Corp Bond Sr.A 1170 D (Face Value of Rs. 10 each)	-	-	3000000	404.81	-	-
ICICI Prudential Fixed Maturity Plan-Sr.75-1246 Days-Plan U (Face Value of Rs. 10 each)	3000000	409.54	-	-	-	-
Kotak FMP Series 172 - 1126 Days (Face Value of Rs. 10 each)	1500000	196.93	-	-	-	-
HDFC FMP 1184D January 2015(I) - Sr.33 (Face Value of Rs. 10 each)	2000000	266.09	-	-	-	-
Reliance Corporate Bond	1875314	262.79	-	-	-	-
Total	-	1525.17	-	1236.29	-	785.37
Aggregate amount of NAV of Quoted Investments						
- In Mutual Funds		1525.17		1236.29		785.37

11.1 Refer Note No. 20.1 and 24.2 to financial statements in respect of charges created against borrowings

11.2 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note No. 7 and 11

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

12. Trade Receivables

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Considered good				
Unsecured		3949.99	3916.43	4149.99
Less: Impairment allowances for doubtful debts	12.1	(73.34)	(56.68)	(54.96)
		3876.65	3859.75	4095.03
12.1 Refer Note No. 24.1 to financial statements in respect of charges created against borrowings				
12.2 Movement of Impairment allowances for doubtful debts				
Balance as at the beginning of the year		56.68	54.96	54.96
Recognised during the year		16.66	1.72	-
Reversal during the year		-	-	-
Balance at the end of the year		73.34	56.68	54.96
12.3 The Company has provided for impairment allowances at an amount equal to its life time expected credit losses.				

13. Cash and Cash Equivalents

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks				
In current and cash credit accounts		123.33	130.86	172.64
Cash on hand		2.81	3.08	2.79
		126.14	133.94	175.43

14. Bank Balances Other than Cash and Cash Equivalents

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Balances with bank				
In Margin Money Accounts	14.1	36.15	101.89	71.00
In Unpaid Dividend Account		8.27	10.59	12.93
Fixed deposits with Banks(having original maturity of more than 3 months)		-	8.08	8.07
		44.42	120.56	92.00

14.1 Fixed Deposits with banks in Margin Money Account includes Rs.146.48 lac (March 31, 2017: Rs 135.83 lac and April 1, 2016: Rs. 239.98 lac) including Rs 110.33 lac (March 31, 2017: Rs 33.94 lac and April 1, 2016: Rs. 168.98 lac) disclosed under "Other Non-current Financial Assets" have been lodged with Banks against guarantee issued by them.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

15. Loans

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good				
Loans and advances to related parties	45(B)	-	-	0.54
		-	-	0.54

16. Other Financial Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Export Incentive receivable		26.02	16.02	16.75
Others		28.70	2.57	8.40
		54.72	18.59	25.15

16.1 Refer Note No. 24.1 to financial statements in respect of charges created against borrowings

17. Other Current Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances for supply of goods		53.31	21.06	64.75
Balance with Government authorities		276.95	424.54	314.14
Prepaid expenses		30.85	39.82	28.77
Loans and advances to employees		9.35	6.60	9.71
		370.46	492.02	417.37

17.1 Refer Note No. 24.1 to financial statements in respect of charges created against borrowings

18. Equity Share Capital

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised				
50,00,000 (March 31, 2017: 50,00,000 and April 1, 2016: 50,00,000) Equity Shares of Rs.10 each		500.00	500.00	500.00
		500.00	500.00	500.00
Issued, Subscribed and Paid-up				
23,90,276 (March 31, 2016: 23,90,276 and April 1, 2016: 23,90,276) Equity Shares of Rs.10 each		239.03	239.03	239.03
		239.03	239.03	239.03

18.1 The Company has one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

18. Equity Share Capital (Contd.)

18.2 Reconciliation of the number of equity shares outstanding

(No. of shares)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Number of shares at the beginning		2390276	2390276	2390276
Add: Addition during the year		-	-	-
Number of shares at the end		2390276	2390276	2390276

18.3 Shareholders holding more than 5% equity shares

(No. of shares)

Name of shareholders	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Tradelink Securities Limited		343703	343703	343703
Stephen Court Limited		279088	279088	279088
Woolworth Merchandise Private limited		170609	170609	170609

19. Other Equity

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve	19.2	605.34	605.34	605.34
Securities Premium Reserve	19.3	890.41	890.41	890.41
General Reserve	19.4	7301.82	7301.82	7301.82
Retained Earnings	19.5	468.35	703.26	489.56
Other Comprehensive Income	19.6			
Re-measurement of Defined benefit plans		(92.81)	(78.93)	(61.85)
		9173.11	9421.90	9225.28

19.1 Refer Statement of changes in Equity for movement in balances of reserves

19.2 Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under section 52 of Companies Act, 2013.

19.3 General Reserve

The General Reserve is used from time to time by appropriating profits from Retained Earnings. As the General Reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of Profit and Loss.

19.4 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

19.5 Other Comprehensive Income

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions have been recognised in OCI and will not be reclassified to statement of Profit and Loss.

19.6 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported above are not entirely distributable.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

20. Borrowings

(₹ in lac)

Particulars	Note no.	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Non Current	Current	Non Current	Current	Non Current	Current
Secured							
Term Loan loan from Bank	20.1 and 20.2	1316.97	639.68	1957.25	600.94	2392.25	369.15
Vehicle Finance loan from Bank	20.3	1.21	3.54	4.76	4.34	9.10	3.94
		1318.18	643.22	1962.01	605.28	2401.35	373.09

20.1 Term Loan from Kotak Bank is secured by way of lien on investments in units of mutual fund held by the Company and is repayable in 60 monthly instalments starting from January, 2016. The Interest rate is Base Rate + 185 basis points which is currently 11.35%. The outstanding as on March 31, 2018 is Rs. 1032.91 lac (March 31, 2017: Rs. 1,341.97 lac and April 1, 2016 Rs.1,611.12 lac)

20.2 Term Loan from Axis Bank is secured by way of exclusive hypothecation charge over movable fixed assets at Ajmer unit, equitable mortgage over Company's leasehold land and building thereon situated at Ajmer and second charge as collateral securities by way of equitable mortgage on immovable assets located at Nagpur and Aurangabad units on which first charge is held for working capital facilities for Baidyabati, Nagpur and Aurangabad units. The Interest rate is Base Rate + 250 basis points which is currently 12.00%. The outstanding as on March 31, 2018 is Rs.929.19 lac (March 31, 2017: Rs. 1,229.19 lac and April 1, 2016 Rs. 1,167.19 lac)

20.3 Finance lease obligation is secured against car taken on two finance lease and are repayable in 60 and 36 monthly instalments starting from July, 2014 and March,2016 respectively. The Interest rate is 10.51% and 9.40% respectively. The outstanding as on March 31, 2018 is Rs 4.75 lac (March 31, 2017: Rs 9.10 lac and April 1, 2016 Rs 13.03 lac)

20.4 Repayment details of above loans are as follows:

(₹ in lac)

Particulars	Term Loan	Vehicle Finance Loan
2018-19	639.68	3.54
2019-20	676.59	1.21
2020-21	616.63	-
2021-22	23.75	-

20.5 The outstanding balance disclosed in Note no. 20 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

21. Other Financial Liabilities

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Vendors		-	-	81.44
		-	-	81.44

22. Provisions

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	41	128.89	101.66	72.15
		128.89	101.66	72.15

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

23. Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax Assets		427.56	(296.60)	(200.27)
Deferred tax Liabilities		471.61	471.65	347.18
Net Deferred Tax (Assets)/Liabilities		44.05	175.05	146.91

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below:

Particulars	As at April 1, 2017	Charge/ (Credit) recognised in profit & loss	Charge/(Credit) recognised in other comprehensive income	As at March 31, 2018
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	-	-	3.50
Leasehold liability	0.88	0.06	-	0.82
MAT Credit Entitlement	77.11	-	-	77.11
Unabsorbed depreciation loss	156.69	(45.15)	-	201.84
Provision for expected credit losses against financial assets	17.51	(5.18)	-	22.69
Expenses allowable on payment basis	5.61	(74.49)	-	80.10
Remeasurement of defined benefit obligations	35.30	0.00	(6.20)	41.50
Total Deferred Tax Assets	296.60	(124.76)	(6.20)	427.56
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	115.67	(24.16)	-	91.51
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	352.68	25.74	-	378.42
Borrowings designated at Amortised Cost	3.30	(1.62)	-	1.68
Total Deferred Tax Liabilities	471.65	(0.04)	-	471.61
Net Deferred Tax (Assets)/ Liabilities	175.05	(124.80)	(6.20)	44.05

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2017 are given below:

Particulars	As at April 1, 2016	Charge/ (Credit) recognised in profit & loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2017
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	-	-	3.50
Leasehold liability	0.94	0.06	-	0.88
MAT Credit Entitlement	55.41	(21.70)	-	77.11
Unabsorbed depreciation loss	91.91	(64.78)	-	156.69
Provision for expected credit losses against financial assets	16.98	(0.53)	-	17.51
Expenses allowable on payment basis	3.87	(1.74)	-	5.61
Remeasurement of defined benefit obligations	27.66	(0.00)	(7.64)	35.30
Total Deferred Tax Assets	200.27	(88.69)	(7.64)	296.60
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	85.26	30.41	-	115.67
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	256.76	95.92	-	352.68
Borrowings designated at Amortised Cost	5.16	(1.86)	-	3.30
Total Deferred Tax Liabilities	347.18	124.47	-	471.65
Net Deferred Tax (Assets)/ Liabilities	146.91	35.78	(7.64)	175.05

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

24. Borrowings

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured				
Repayable on demand				
Working capital facilities from banks				
Indian Currency	24.1 & 24.2	657.60	777.65	543.50
Buyer's Credit	24.3	202.96	177.30	191.93
		860.56	954.95	735.43

- 24.1 Loans repayable on demand being Working Capital facilities from UCO Bank and Axis Bank (both fund based and non-fund based) are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, trade receivables and other current assets of the Company and all moveable assets and by equitable mortgage by deposit of title deeds of immovable properties comprising of land and buildings of the Company's factories situated at Nagpur and Aurangabad.
- 24.2 Loans repayable on demand being Working Capital facilities from Kotak Mahindra Bank is secured by way of lien on investments in units of mutual funds held by the Company.
- 24.3 Buyer's Credit is secured against hypothecation of the plant and equipment purchased thereagainst

25. Trade Payables

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable for Goods and Services				
Due to Micro and Small Enterprises	25.1	61.18	45.66	28.17
Others		2169.05	1700.18	1261.81
		2230.23	1745.84	1289.98

- 25.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Principal & Interest amount remaining unpaid but not due as at year end			
Principal amount unpaid	61.18	45.66	28.17
Interest due	-	-	-
b) Interest paid by the Company in terms of Section 16 of the "Micro, Small and Medium Enterprise Development Act, 2006" along with the amounts of the payment made to the supplier beyond the appointed day during the year:			
Principal amount unpaid	63.97	154.12	191.67
Interest due	-	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil
d) Interest accrued and remaining unpaid as at year end	Nil	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil	Nil

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

26. Other Financial Liabilities

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long term debt- Secured	20	639.68	600.94	369.15
Current maturities of finance lease obligation- Secured	20	3.54	4.34	3.94
Interest accrued but not due on borrowings		14.11	17.24	15.33
Unclaimed dividends	26.1	8.27	10.59	12.93
Capital vendors		48.13	308.71	153.02
		713.73	941.82	554.37

26.1 The same is not due for payment to Investor Education and Protection Fund.

27. Other Current Liabilities

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from customers		582.38	470.73	387.43
Statutory dues-PF, ESI, Service Tax, TDS, Entry Tax etc.		370.44	149.42	105.45
Excise duty on stock		-	112.48	109.04
		952.82	732.63	601.92

28. Provisions

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	42	94.26	88.78	69.71
		94.26	88.78	69.71

29. Current Tax Liabilities (Net)

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for taxation (net of advance tax)		48.49	67.93	36.07
		48.49	67.93	36.07

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

30. Revenue From Operations

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (including Excise Duty)	30.1	10597.26	10694.14
Sale of Services		31.89	37.70
Other operating revenues			
Scrap Sales		72.47	53.67
Liabilities no longer required written back		42.18	50.48
Incentive on exports		20.10	21.92
		10763.90	10857.91

30.1 Includes Excise Duty of Rs. 103.81 lac (2016-17 – Rs. 1015.76 lac)

31. Other Income

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income			
On deposits, overdue debts etc.		12.44	15.22
Net gain/(loss) on redemption of Current investments (net)		6.84	14.70
Net gain/(loss) on fair valuation of investments through profit and loss (net)		173.57	251.46
Profit/(loss) on sale of fixed assets (net)		-	1.56
Net gain/(loss) on foreign currency transaction and translation		12.33	10.92
Fair valuation of Surrender Value of Keyman Insurance policy	8.2	58.64	497.62
Miscellaneous income		29.47	55.80
		293.29	847.28

32. Cost of materials consumed

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material Consumed		4991.81	4293.31

33. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock			
Finished Goods		1012.36	981.33
Work-in-Progress		636.18	672.60
		1648.54	1653.93
Less: Closing Stock			
Finished Goods		1248.00	1012.36
Work-in-Progress		521.19	636.18
		1769.19	1648.54
		(120.65)	5.39

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

34. Employee Benefits Expense

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages		2514.91	2380.72
Contribution to provident and other funds		253.43	219.83
Travelling and Conveyance		379.40	356.84
Staff welfare expenses		131.43	111.96
		3279.17	3069.35

35. Finance Costs

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		344.98	386.64
Other borrowing cost		51.86	15.64
		396.84	402.28

36. Depreciation and Amortisation Expenses

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation Expenses	5	509.81	492.25
Amortisation Expenses	6	14.26	14.70
		524.07	506.95

37. Other Expenses

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumable Stores		273.23	239.16
Packing Materials consumed (net of recoveries)		144.85	169.11
Power and fuel		184.26	195.49
Rent		25.73	22.17
Repairs to buildings		36.05	38.43
Repairs to machinery		26.98	8.31
Repairs to others		57.14	57.27
Insurance		10.43	13.26
Rates and taxes		23.89	22.50
Directors fees and Commission		6.10	9.20
Selling and Distribution Expenses	37.2	584.22	505.97
Auditors' Remuneration	37.1	4.15	4.42
Irrecoverable Debts/Advances written off		58.01	75.31
Royalty		260.63	198.78
Excise duty paid and on stock		(8.67)	1019.21
Communication Expenses		31.42	30.98
Provision for expected Credit losses		16.66	1.72
Consultancy		68.99	41.95
Freight and Forwarding Charges (Net of realisation of Rs. 47.15 lac (March 31, 2017: Rs. 48.44 lac)		173.05	108.39
Loss on sale of fixed assets (net)		0.97	-
Miscellaneous expenses	37.3	367.57	395.09
		2345.66	3156.72

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

37. Other Expenses (Contd.)

37.1 Auditor's Remuneration comprises of:

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Audit Fees		3.25	3.25
(b) Certification and other expenses		0.90	1.17

37.2 Selling and Distribution Expenses comprises of:

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Travelling Expenses		466.05	421.99
(b) Commission on Sales		94.36	61.98
(b) Other Expenses		23.81	22.00

37.3 During the year, the Company has incurred Rs. 2.12 lac (March 31, 2017 Rs. 4.15 lac) on account of Corporate Social Responsibility (CSR).

37.4 Operating Lease disclosures:

The Company has operating lease arrangements for office accommodations etc. with tenure extending upto 1 or 3 or 5 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 12 or 24 or 36 months as the case may be from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs. 26.11 lac (March 31, 2017 Rs. 22.17 lac).

38. Tax Expenses-Current Tax

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for current tax		-	21.71
		-	21.71

38.1 Components of Tax Expense:

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax			
In respect of the current year		-	21.71
Total Current tax expense recognised in the current year		-	21.71
Deferred tax			
In respect of the current year		(124.80)	35.78
MAT credit entitlement		-	-
Total Deferred tax expense recognised in the current year		(124.80)	35.78
Total Tax expense recognised in the current year		(124.80)	57.49

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

38. Tax Expenses-Current Tax (Contd.)

38.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from "Profit Before Tax" as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit Before Tax		(359.71)	271.19
Income tax expense calculated at 30.90%*		(111.15)	83.80
Less : Effect of			
Difference in tax rate for Long Term Capital Gain		(18.58)	(27.41)
Effect of other adjustments		4.93	1.10
Income Tax Expense recognised in Profit and Loss		(124.80)	57.49

* The tax rate used for reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under the Indian tax laws.

38.3 Income tax recognised in other comprehensive income

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred Tax			
Arising on income and expenses recognised in other comprehensive income:			
Tax impact on Remeasurement of defined benefit obligation		6.20	7.64
Total Income Tax recognised in Other Comprehensive Income		6.20	7.64
Bifurcation of the income tax recognised in Other Comprehensive Income into:			
Items that will not be reclassified to Profit and Loss		6.20	7.64
Items that may be reclassified to Profit and Loss		-	-

39. Components of Other Comprehensive Income

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Items that will not be reclassified to Statement of Profit or Loss			
Remeasurement of gains / (losses) on defined benefit plans		(20.08)	(24.72)
		(20.08)	(24.72)

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)						
Financial Assets designated at Amortised Cost						
Trade Receivables	3876.65	3876.65	3859.75	3859.75	4095.03	4095.03
Cash and Cash Equivalents	126.14	126.14	133.94	133.94	175.43	175.43
Bank Balances other than Cash and Cash Equivalents	44.42	44.42	120.56	120.56	92.00	92.00
Loans and Other financial assets	784.79	784.79	614.80	614.80	250.80	250.80
Financial Assets designated at Fair Value through Profit and Loss Account						
Investment in Mutual Funds	2405.45	2405.45	3011.50	3011.50	2863.88	2863.88
Financial Liabilities (Current and Non-Current)						
Financial Liabilities designated at Amortised Cost						
Borrowings	2821.96	2821.96	3522.24	3522.24	3509.87	3509.87
Trade Payables	2230.23	2230.23	1745.84	1745.84	1289.98	1289.98
Other Financial Liabilities	70.51	70.51	336.54	336.54	262.72	262.72

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities/financial assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/ amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Investments (other than Investments in Joint Venture) i.e. Mutual Funds are determined by reference to the quoted market prices (i.e. NAV) at the reporting date multiplied by the quantity held.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2018:

(₹in lac)

Particulars	As at March 31*	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Investment in Mutual Funds (Current and Non-Current) - 2018	2405.45	2405.45	-	-
- 2017	(3011.50)	(3011.50)	-	-
- 2016	[785.37]	[785.37]	-	-

(*) Figures in round brackets () indicate figures as at March 31, 2017 and in brackets [] indicate figures as at April 01, 2016

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

Financial instruments are valued based on quoted price for similar assets and liabilities in active market or similar inputs that are directly or indirectly observable in the market place.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company has an Enterprise Risk Management (ERM) process which involves periodic identification of risks likely to affect the business adversely, rating the risks, their importance and likelihood, preparation of risk identification procedures, implementation of risk mitigation plans and its continuous monitoring by the Executive Management/ Divisional Heads. The Risk Management Committee has already identified the risks in the various business areas and it also develops and monitors various mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks. The presence in India of players with low cost products which has intensified the competition in the large domestic market consequently shrinking the margins for the Company's products is an area of risk. To mitigate the risk involved in this area, steps have been initiated to move ahead of the competition with the Company's strong brand image along with upgradation of technology, carving out a niche product portfolio and effective marketing framework.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated transactions.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

The Company is having a net foreign exchange inflow and has adopted a comprehensive risk management review system wherein it evaluates exchange rate exposure arising from these transactions and follows established risk management policies.

The carrying amount of various exposure to foreign currency at the end of the reporting period are as follows:

(₹in lac)

Particulars	As at March 31, 2018			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	24.40	-	-	24.40
EURO	62.73	202.96	5.17	(145.40)
Total	87.13	202.96	5.17	(121.00)

Particulars	As at March 31, 2017			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	5.84	-	-	5.84
EURO	75.56	177.30	12.43	(114.17)
Total	81.40	177.30	12.43	(108.33)

Particulars	As at April 1, 2016			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	97.67	-	-	97.67
EURO	103.08	191.93	6.36	(95.21)
Total	200.75	191.93	6.36	2.46

The company is principally exposed to foreign currency risk against USD & Euro. Sensitivity of profit or loss arises mainly from USD & EURO denominated are as follows:

(₹in lac)

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Receivables (Weaking of INR By 5%)		
USD	1.22	0.29
EURO	3.14	3.78
Payables (Weaking of INR By 5%)		
USD	-	-
EURO	(10.41)	(9.49)

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements

Interest rate risk

The company exposure in market risk related to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Interest rate risk (Contd.)

Further, there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes and as such does not cause material implication.

With all other variables held constant, the following table demonstrates the impact of exposure of Company's borrowings to interest rate changes at the end of the reporting period. A hypothetical basis point shift, as detailed below, would result in a corresponding increase or decrease in interest costs for the company on a yearly basis.

(₹in lac)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2018	For the year ended March 31, 2017
Foreign Currency Loan	+0.25	0.51	0.44
Rupee Loan	+0.50	13.07	16.68

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in foreign currency loan would have an equal and opposite effect on the Company's financial statements

Other price risk

The company's exposure in Joint Venture are carried at cost and these are subject to impairment testing as per the policy followed in this respect. Further, the investment in mutual funds which are fair valued through profit and loss are material as these are Fixed Maturity Plan(FMP) that are closed ended scheme with a pre-defined maturity which is subject to investment objective and allocation which is basically in debt instruments, Certificate of Deposits and Commercial papers. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Collection of sale proceeds promptly from the clients on sale of products is also an area where risk is involved. The Company has adopted various recovery measures for improvement in collection and liquidity position which is also monitored by the Executive Management at regular intervals.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2018 and March 31, 2017 respectively.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery thereagainst has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Financial assets that are past due but not impaired

Trade receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement. The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at the Balance Sheet date:

Interest rate and currency of borrowings

(₹ in lac)

Particulars	As at March 31, 2018			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	2619.01	2614.25	4.76	-
EURO	202.96	202.96	-	-
Total	2821.96	2817.21	4.76	-

Particulars	As at March 31, 2017			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	3344.94	3335.84	9.10	-
EURO	177.30	177.30	-	-
Total	3522.24	3513.14	9.10	-

Particulars	As at April 1, 2016			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	3317.95	3304.90	13.05	-
EURO	191.93	191.93	-	-
Total	3509.88	3496.83	13.05	-

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Maturity Analysis of Financial Liabilities

(₹in lac)

Particulars	As at March 31, 2018					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	
Interest bearing borrowings (including current maturities)	2821.96	-	316.48	326.74	2178.74	2821.96
Other Liabilities	70.51	8.27	62.24	-	-	70.51
Trade and other payables	2230.23	2230.23	-	-	-	2230.23

Particulars	As at March 31, 2017					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	
Interest bearing borrowings (including current maturities)	3522.24	-	298.40	308.08	2915.76	3522.24
Other Liabilities	336.54	10.59	325.95	-	-	336.54
Trade and other payables	1745.84	1745.84	-	-	-	1745.84

Particulars	As at April 1, 2016					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	
Interest bearing borrowings (including current maturities)	3509.87	-	282.71	292.29	2934.87	3509.87
Other Liabilities	262.72	12.93	249.79	-	-	262.72
Trade and other payables	1289.98	1289.98	-	-	-	1289.98

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP. Further, the Company relies on mix of borrowings and excess operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The gearing ratio are as follows:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	2178.74	2916.96	3136.78
Equity	9412.14	9660.93	9464.31
Gearing Ratio	0.23	0.30	0.33

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under: (₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund	102.88	104.08
Employer's Contribution to Pension Fund	59.34	59.17
Employer's Contribution to Superannuation Fund	11.83	9.95
Employers State Insurance Fund	32.78	15.75

b) Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹in lac)

Particulars	Gratuity (Funded)	
	2017 - 2018	2016 - 2017
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	728.94	642.44
Interest Cost	53.44	51.43
Current Service Cost	47.08	50.26
Actuarial (gain) / loss on obligations	14.09	18.44
Benefits paid	(78.69)	(33.63)
Liability at the end of the year	764.86	728.94
b) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	695.68	657.04
Expected Return on Plan Assets	53.91	52.56
Contributions by the Company	33.54	25.99
Benefits paid	(78.69)	(33.63)
Actuarial gain / (loss) on Plan Assets	(5.99)	(6.28)
Fair value of Plan Assets at the end of the year	698.45	695.68
c) Actual return on Plan Asset		
Expected return on Plan assets	53.91	52.56
Actuarial gain / (loss) on Plan Assets	(5.99)	(6.28)
Actual Return on Plan Assets	47.92	46.28
d) Amount Recognized in Balance Sheet		
Liability at the end of the year	764.86	728.94
Fair value of Plan Assets at the end of the year	698.45	695.68
	66.41	33.26
e) Components of Defined Benefit Cost		
Current Service Cost	47.08	50.26
Interest Cost	53.44	51.43
Expected Return on Plan Assets	(53.91)	(52.56)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	20.08	24.72
Total Defined Benefit Cost recognised in Profit and Loss and OCI	66.69	73.85

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits (Contd.)

b) Defined Benefit Plans (Contd.)

(₹in lac)

Particulars	Gratuity (Funded)	
	2017 - 2018	2016 - 2017
f) Balance Sheet Reconciliation		
Opening Net Liability	33.26	(14.60)
Expenses as above	66.69	73.85
Employers Contribution	(33.54)	(25.99)
Amount Recognized in Balance Sheet	66.41	33.26
g) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.75%	7.50%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	7.75%	7.50%

h) Percentage allocation of plan assets in respect of fund managed by insurer is as follows:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
G-Sec/ Corporate Securities	-	-	-
Equity	-	-	-
Fixed Deposit and other Assets	-	-	-
Insurance Policies	100.00%	100.00%	100.00%

Interest Rate Guarantee

The obligation for provident fund trustees set up by the employer for Interest Rate guarantee in respect of shortfall in respect of in a defined benefit plan and is recognized in the same manner as gratuity. The actuarial valuation of such provident fund liability on account of shortfall of interest as determined by the actuarial is Rs.Nil (March 31, 2017 - Rs. 3.13 lac) has been recognised in the Statement of Profit and Loss.

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2018 is given below:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017
Leave Encashment	113.13	108.71

Particulars	Leave Encashment (Non-Funded)	
	2017 - 2018	2016 - 2017
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	108.71	101.17
Interest Cost	6.66	7.87
Current Service Cost	35.39	33.18
Benefits paid	(45.67)	(23.69)
Actuarial (gain) / loss on obligations	8.04	(9.82)
Liability at the end of the year	113.13	108.71

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits (Contd.)

(₹ in lac)

Particulars	Leave Encashment (Non-Funded)	
	2017 - 2018	2016 - 2017
b) Amount Recognized in Balance Sheet		
Liability at the end of the year	113.13	108.71
Fair value of Plan Assets at the end of the year	-	-
	113.13	108.71
c) Components of Defined Benefit Cost		
Current Service Cost	35.39	33.18
Interest Cost	6.66	7.87
Expected Return on Plan Assets	-	-
Net Actuarial (gain) / loss on remeasurement recognised in Profit and Loss	8.04	(9.82)
Total Defined Benefit Cost recognised in Profit and Loss and OCI	50.09	31.23
d) Balance Sheet Reconciliation		
Opening Net Liability	108.71	101.17
Expenses as above	50.09	31.23
Benefits paid	(45.67)	(23.69)
Amount Recognized in Balance Sheet	113.13	108.71
e) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.75%	7.50%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	N.A	N.A

Notes:

- i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2017	24.72
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2018	20.08

Sensitivity analysis:

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31, 2017			
Discount Rate	+1%	689.95	101.59
	-1%	776.23	116.79
Salary Growth Rate	+1%	771.86	116.83
	-1%	689.95	101.43
Withdrawal Rate	+1%	736.96	109.91
	-1%	722.38	107.73

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits (Contd.)

Sensitivity analysis (contd.):

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31, 2018			
Discount Rate	+1%	739.84	106.41
	-1%	831.45	120.69
Salary Growth Rate	+1%	830.63	120.77
	-1%	739.72	106.28
Withdrawal Rate	+1%	787.35	113.93
	-1%	778.55	112.24

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (Projected Unit Credit Method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Particulars	Gratuity	Leave Encashment
For the year ended March 31, 2017		
Plan Liabilities - (loss)/gain	(3.21)	(13.50)
Plan Assets - (loss)/gain	6.29	-
For the year ended March 31, 2018		
Plan Liabilities - (loss)/gain	42.42	9.74
Plan Assets - (loss)/gain	6.00	-

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity	Leave Encashment
01 Apr 2018 to 31 Mar 2019	34.81	5.58
01 Apr 2019 to 31 Mar 2020	222.54	31.84
01 Apr 2020 to 31 Mar 2021	60.03	6.34
01 Apr 2021 to 31 Mar 2022	52.89	7.19
01 Apr 2022 to 31 Mar 2023	63.87	9.62
01 Apr 2022 to 31 Mar 2028	1343.89	53.58

Particulars	As at March 31, 2018	As at March 31, 2017
Average no of people employed	469	466

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

42. Calculation of Earning Per Share is as follows:

(₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Net profit for basic and diluted Earnings Per Share as per Statement of Profit and Loss	(234.91)	213.70
(b) Weighted average number of equity shares for calculation of basic and diluted Earnings Per Share (Face value Rs. 10/- per share)		
No of equity shares outstanding as on 31st March	2390276	2390276
Number of equity shares considered in calculating basic and diluted EPS	2390276	2390276
(c) Weighted average number of equity shares outstanding	2390276	2390276
(d) Earnings Per Share (EPS) of Equity Share of Rs. 10 each:		
a) Basic (Rs.)	(9.83)	8.94
b) Diluted (Rs.)	(9.83)	8.94

43. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)
Rs. Nil (March 31, 2017 Rs. Nil and April 1, 2016 Rs. 1,151.86 lac)

44. Contingent Liabilities not provided for in respect of:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outstanding Bank Guarantees	97.94	75.86	75.13

45. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows:

A) Names of related parties and description of relationship

- | | |
|--|---|
| 1) Key Management Personnel (KMP) and close member of their family | Mr. Sanjay Bagaria - Chairman and Non Executive Director
Mr. Indrajit Sen - Managing Director
Mr. Ratan Lal Gaggar - Director
Mr. Ravi Ranjan Prasad - Director
Mrs. (Prof.) Bharati Ray - Director
Mr. Ashish Kumar Neogi - Chief Financial Officer
Mr. Suhas Chandra Saha - Company Secretary |
| 2) Joint Venture Company | Mozer Process Technology Pvt. Ltd. |

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

45. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

B) Related Party Transactions

(₹in lac)

Particulars	Joint Venture Company	KMP & Close members of Family	Total	Outstanding as on March 31, 2018	Outstanding as on March 31, 2017	Outstanding as on April 1, 2016
Remuneration						
Mr. Sanjay Bagaria	-	-	-	-	-	-
Mr. Indrajit Sen	-	178.96	178.96	5.82	-	-
Mr. Ashish Kumar Neogi	-	36.36	36.36	-	-	-
Mr. Suhas Chandra Saha	-	39.15	39.15	-	-	-
Total	-	254.47	254.47	5.82	-	-
Previous Year						
Mr. Sanjay Bagaria	-	2.77	2.77	-	2.77	-
Mr. Indrajit Sen	-	167.68	167.68	-	-	-
Mr. Ashish Kumar Neogi	-	33.71	33.71	-	-	-
Mr. Suhas Chandra Saha	-	36.66	36.66	-	2.68	-
Sitting Fees						
Mr. Sanjay Bagaria	-	1.80	1.80	-	-	-
Mr. Ratan Lal Gaggar	-	1.30	1.30	-	-	-
Mr. Ravi Ranjan Prasad	-	1.30	1.30	-	-	-
Mrs. (Prof.) Bharati Ray	-	1.70	1.70	-	-	-
Previous Year						
Mr. Sanjay Bagaria	-	1.90	1.90	-	-	-
Mr. Ratan Lal Gaggar	-	1.50	1.50	-	-	-
Mr. Ravi Ranjan Prasad	-	1.30	1.30	-	-	-
Mrs. (Prof.) Bharati Ray	-	1.70	1.70	-	-	-
Sale of Stock in Trade						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	224.36	-	-	-	-	-
Recovery of Rent						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Total	0.36	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Recovery of Selling and Distribution expenses						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Recovery of Misc. expenses						
Mozer Process Technology Pvt. Ltd.	2.41	-	-	0.20	-	-
Total	2.41	-	-	0.20	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	1.74	-	-	-	-	-
Advance Received						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Receivable at year end						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	0.54
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

45. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

C) Details of compensation paid to KMP during the year are as follows:

(₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	-	-
Post-employment benefits*	20.38	-
Other long-term benefits*	-	-

* Post-employment benefits and other long-term benefits have been disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

45.1 In respect of the above parties, there is no provision for doubtful debts as on March 31, 2018 and no amount has been written off or written back during the year in respect of debt due from/to them

45.2 The above related party information is as identified by the management and relied upon by the auditor

46. Segment Information

a) Reportable Segments:

The Company’s operating segment are established on the basis of those component of the Company that are evaluated regularly by the Board (“The Chief Operating Decision Maker”) as defined in Ind AS 108 “Operating Segments”. The Company has three principal operating and reporting segments i.e.

- i) Mineral & Material Processing and Handling Equipment
- ii) Gear Box and Geared Motor Drive System
- iii) Building Material Division

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment Transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

46. Segment Information (Contd.)

(b) Summary of segment information as at and for the year ended March 31, 2018 and March 31, 2017 is as follows:

(₹ in lac)

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Geared Motor Drive System		Building Material Division		Unallocated/Corporate		Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Segment Revenue												
External Revenue	6324.77	6586.76	4098.05	4161.98	341.08	109.17	-	-	-	-	10763.90	10857.91
Inter-Segment Revenue	5.15	32.05	161.70	165.04	-	-	-	-	(166.85)	(197.09)	-	-
Total Revenue	6329.92	6618.81	4259.75	4327.02	341.08	109.17	-	-	(166.85)	(197.09)	10763.90	10857.91
Segment Result	1945.80	1987.73	146.13	32.78	(539.93)	(554.42)	(1707.72)	(1073.99)	-	-	(155.72)	392.10
Add/(less):												
Interest earned on loans and deposits, income from current and non-current investments, Profit and Loss on sale of investments etc. - Net	-	-	-	-	-	-	-	-	-	-	(192.85)	(281.37)
Finance costs	-	-	-	-	-	-	-	-	-	-	396.84	402.28
Provision for Taxes	-	-	-	-	-	-	-	-	-	-	(124.80)	57.49
Profit for the year	-	-	-	-	-	-	-	-	-	-	(234.91)	213.70
Other Information												
Segment Assets	5266.23	5211.27	3313.71	3317.15	3305.44	3390.84	3917.98	4512.35	-	-	15803.36	16431.61
Segment Liabilities	1609.22	1428.64	1390.26	978.11	196.97	339.62	328.74	309.77	-	-	3525.19	3056.14
Capital Expenditure												
Segment capital expenditure	115.83	147.45	28.08	44.20	5.83	833.56	7.41	22.25	-	-	157.15	1047.46
Depreciation and Amortisation												
Segment depreciation and amortisation	78.76	72.28	189.38	206.61	185.57	140.74	70.36	87.31	-	-	524.07	506.94
Significant Non Cash Expenditure												
Segment significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

46. Segment Information (Contd.)

c) Summary of Segment Assets and Liabilities as at April 01, 2016

Particulars	Assets	Liabilities
Mineral & Materials Processing And Handling Equipment	5480.89	1035.21
Gear Box and Geared Motor Drive System	3338.15	799.40
Building Material Division	2571.84	258.09
Unallocated Corporate Assets/ Liabilities	4062.75	239.83
Total	15453.63	2332.53

d) Geographical Information

(₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from sale of Products by Geographical Market		
Within India	9641.05	9706.37
Outside India	956.21	987.77
	10597.26	10694.14

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc.

a) Reconciliation in terms of Ind AS 101 "First Time Adoption of Indian Accounting Standards"

i) Reconciliation of Equity as at March 31, 2017 and April 1, 2016

(₹in lac)

Particulars	Note No. [Under 47 (c)]	As at March 31, 2017 (End of last period presented under Previous GAAP)			As at April 1, 2016		
		Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS	Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
1 Non-Current Assets							
(a) Property, Plant and Equipment	(i) & (iv)	4988.80	(8.84)	4979.96	3847.92	(8.80)	3839.12
(b) Capital work-in-progress		70.23	-	70.23	577.64	-	577.64
(c) Other Intangible assets		60.41	-	60.41	14.63	-	14.63
(d) Financial Assets							
(i) Investments	(iii)	1550.00	275.21	1825.21	1849.98	278.53	2128.51
(ii) Others	(ii)	607.53	(11.32)	596.21	236.97	(11.32)	225.65
(e) Other Non current Assets	(v)	77.11	(77.11)	-	168.45	(55.41)	113.04
2 Current Assets							
(a) Inventories		3038.43	-	3038.43	2964.16	-	2964.16
(b) Financial Assets							
(i) Investments	(iii)	950.00	286.29	1236.29	650.00	135.37	785.37
(ii) Trade Receivables	(ii)	3916.43	(56.68)	3859.75	4149.99	(54.96)	4095.03
(iii) Cash and Cash equivalents		133.94	-	133.94	175.43	-	175.43
(iv) Bank balances other than (iii) above		120.56	-	120.56	92.00	-	92.00
(v) Loans		-	-	-	0.54	-	0.54
(vi) Others		18.59	-	18.59	25.15	-	25.15
(c) Other Current Assets		492.02	-	492.02	417.37	-	417.37
Total Assets		16024.05	407.55	16431.60	15170.23	283.41	15453.64

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

i) Reconciliation of Equity as at March 31, 2017 and April 1, 2016 (Contd.)

(₹in lac)

Particulars	Note No. [Under 47 (c)]	As at March 31, 2017 (End of last period presented under Previous GAAP)			As at April 1, 2016		
		Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS	Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		239.03	-	239.03	239.03	-	239.03
(b) Other Equity	47(a)(ii)	9023.81	398.09	9421.90	8942.96	282.32	9225.28
Liabilities							
1 Non-current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	(v)	1972.88	(10.87)	1962.01	2418.05	(16.70)	2401.35
(ii) Other Financial Liabilities		-	-	-	81.44	-	81.44
(b) Provisions		101.66	-	101.66	72.15	-	72.15
(c) Deferred Tax Liabilities (net)	(v)	157.77	17.28	175.05	132.17	14.74	146.91
2 Current liabilities							
(a) Financial liabilities							
(i) Borrowings		954.95	-	954.95	735.43	-	735.43
(ii) Trade Payables		1745.84	-	1745.84	1289.98	-	1289.98
(iii) Other Financial Liabilities	(i)	938.77	3.05	941.82	551.32	3.05	554.37
(b) Other Current Liabilities		732.63	-	732.63	601.92	-	601.92
(c) Provisions		88.78	-	88.78	69.71	-	69.71
(d) Current Tax Liabilities (Net)		67.93	-	67.93	36.07	-	36.07
Total Equity and Liabilities		16024.05	407.55	16431.60	15170.23	283.41	15453.64

ii) Reconciliation of Total Equity as given above:

(₹in lac)

Particulars	Note No. [Under 47 (c)]	As at March 31, 2017 (End of last period presented under Previous GAAP)	As at April 01, 2016 (Date of transition)
Total Equity (shareholders' funds) under Previous GAAP		9262.84	9181.99
Ind AS Adjustment			
Effect of amortization of financial assets	(ii)	(11.32)	(11.32)
Effect of provision for expected credit loss	(ii)	(56.68)	(54.96)
Effect of fair valuation of investment	(iii)	561.50	413.90
Effect of amortization of financial liability	(iv)	(2.08)	3.94
Effect of recognition of present value of future lease payment	(i)	1.07	0.91
Effect of deferred tax on above	(v)	(94.40)	(70.15)
Total adjustment to Equity		398.09	282.32
Total Equity under Ind AS		9660.93	9464.31

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

iii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(₹in lac)

Particulars	Note No. [Under 48 (c)]	As per IGAAP for the year ended March 31, 2017	Ind AS Adjustments	As per Ind AS for the year ended March 31, 2017
INCOME				
Revenue from operations		10857.91	-	10857.91
Other Income	(iii)	699.68	147.60	847.28
Total Revenue		11557.59	147.60	11705.19
EXPENSES				
Cost of materials consumed		4293.31	-	4293.31
Changes in inventories of finished goods, Stock-in-Trade and work-in progress		5.39	-	5.39
Employee Benefit Expenses	(vi)	3094.07	(24.72)	3069.35
Finance costs	(i) & (iv)	396.12	6.16	402.28
Depreciation and Amortisation expenses	(i)	506.90	0.05	506.95
Other Expenses	(i)	3155.35	1.37	3156.72
Total Expenses		11451.14	(17.14)	11434.00
Profit/(loss) before tax		106.45	164.74	271.19
Tax expense:				
Current tax		21.71	-	21.71
Deferred tax	(v)	3.89	31.89	35.78
Profit/(loss) for the year		80.85	132.85	213.70
Other Comprehensive Income/(Loss)				
(i) Items that will not be reclassified to Profit and Loss	(vi)	-	(24.72)	(24.72)
(ii) Income tax related to items that will not be reclassified to Profit and Loss	(vi)	-	7.64	7.64
Other Comprehensive Income (net of tax)/(Loss)		-	(17.08)	(17.08)
Total Comprehensive Income for the year		80.85	115.77	196.62

iv) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017:

Particulars	For the Year ended March 31, 2017
Net profit / Other Equity under previous GAAP	80.85
Items recognised in Other Comprehensive Income	24.72
Provision for expected credit losses	(1.72)
Fair valuation of investment	147.60
Interest expense on loan amortization	(6.16)
Others	0.30
Effect of Taxes on above	(31.89)
Net Profit for the period / Other Equity as at March 31, 2017 under Ind AS	213.70
Actuarial gain/ (loss) on Employees defined benefit	(17.08)
Total Comprehensive Income for the period / Other Equity as at March 31, 2017 under Ind AS	196.62

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

v) Effect of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2017 (₹in lac)

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from Operating Activities	1318.30	(212.38)	1105.92
Net cash flows from Investing Activities	(996.64)	239.57	(757.07)
Net cash flows from Financing Activities	(365.50)	(24.84)	(390.34)
Net increase (decrease) in Cash and Cash Equivalents	(43.84)	2.35	(41.49)
Cash and Cash Equivalents at the beginning of the period	188.37	(12.94)	175.43
Cash and Cash Equivalents at the end of the period	144.53	(10.59)	133.94

Analysis of Cash and Cash Equivalents as at March 31, 2017 and as at April 1, 2016 for the purpose of statement of cash flows under Ind AS

(₹in lac)

Particulars	As at March 31, 2017 (End of last period presented under Previous GAAP)	As at April 1, 2016 (Date of transition)
Cash and Cash Equivalents for the purpose of statement of cash flows as per Previous GAAP		
Unpaid Dividend Account considered as cash and cash equivalents	(10.59)	(12.93)
Cash and Cash Equivalents for the purpose of statement of cash flows under Ind AS	(10.59)	(12.93)

b) FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions

These financial statements are covered by Ind AS 101, “First Time Adoption of Indian Accounting Standards”, as they are the Company’s first Ind AS financial statements for the year ended March 31, 2018.

i) Overall principle:

The Company has prepared the opening Balance Sheet as per Ind AS as at April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to Ind-AS had recognized directly in retained earnings at the date of transition.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

iii) Deemed cost for Property, Plant and Equipment and Intangible assets:

The Company has elected to continue with the carrying value of all of its property, plant and equipments and intangible assets recognized as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

iv) Investment in Joint Venture

The Company has elected to measure its investment in joint venture, Mozer Process Technology Private Limited, at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS

v) Impairment of financial assets

Ind AS 109 “Financial Instruments” requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Company, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

vi) Determining whether an arrangement contains a lease

The Company as on the date of transition complied with Ind AS 17 “Leases” to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS.

c) Explanatory Notes to reconciliation between Previous GAAP and Ind AS

(i) Property, Plant and Equipment

Under the previous GAAP, leasehold land was shown as a part of Property, Plant and Equipment at a carrying value consisting of the initial costs incurred and was amortised over the period of lease.

Under Ind AS 101, the Company has recognized the present value of minimum lease payments to its carrying value with corresponding recognition of lease liability. On transition, this has resulted in capitalization of Rs.3.97 lac in Property Plant and Equipment with corresponding recognition of lease liability of Rs.3.05 lac as on April 1, 2016.

(ii) Fair Valuation of financial assets and liabilities

Under previous GAAP, receivables and payables were measured at transaction cost less allowances for recoverability, if any.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment, if any. The resulting changes are recognised either under finance income or expenses in the Statement of Profit and Loss.

On transition, the Company has fair valued certain financial assets including Security deposits. This has resulted in decrease in total equity by Rs. 11.32 lac and Rs. 11.32 lac as on March 31, 2017 and April 1, 2016 respectively. Further, the Company has provided for expected credit losses on trade receivables based on past five years trend of bad debts as a percentage of debts due over a period of 180 days which resulted in decrease in total equity by Rs. 56.68 lac and Rs. 54.96 lac as on March 31, 2017 and April 1, 2016 respectively

(iv) Fair valuation of Investment in Mutual Funds

Under previous GAAP, Current investments were measured at lower of cost or market price.

Under Ind AS, these investments are measured at fair value through Profit and Loss and accordingly, difference between the fair value and carrying value is recognised in the Statement of Profit and Loss.

On transition, the Company has fair valued through Profit and Loss these investment resulting in increase in total equity by Rs.561.50 lac and Rs. 413.90 lac as on March 31, 2017 and April 1, 2016 respectively.

Notes to Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

(v) Borrowings

Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Profit and Loss for the period in which such transaction costs is incurred.

Under Ind AS, Finance Liabilities consisting of Long Term Borrowings to be designated and measured at amortised cost based on Effective Interest Rate (EIR) method. The transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in Profit and Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

On transition, the Company has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by Rs.10.89 lac and Rs.16.70 lac as on March 31, 2017 and April 1, 2016 respectively with corresponding increase in total equity by Rs.3.94 lac as on April 1, 2016 and decrease by Rs.2.08 lac as on March 31, 2017 Further, Rs.12.76 lac and Rs.12.76 lac as on March 31, 2017 and April 1, 2016 respectively has been reduced from the carrying amount of Property, Plant and Equipment relating to borrowings for Building Material Division.

(vi) Taxation

Deferred tax has been recognized in respect of on accounting differences between previous GAAP and Ind AS. These adjustments have resulted increase in deferred tax liability and decrease in equity by Rs.95.16 lakhs and Rs.70.15 lakhs as on March 31, 2017 and April 1, 2016 respectively.

(vii) Remeasurement of Defined Benefit Plan

Under previous GAAP and Ind AS, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of Profit and Loss.

Under Ind AS, the actuarial gain and losses form part of re-measurements of net defined benefit liability/ asset which is recognised in Other Comprehensive Income (OCI). Consequently, the tax effect on the same has also been recognised in OCI instead of statement of Profit and Loss.

Under Ind AS, the entity is permitted to transfer amounts recognized in the Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred all re-measurement costs recognized relating prior to the transition date from Retained Earnings as on the date of transition as permitted under Ind AS.

On transition, this has resulted in reclassification and re-measurement of losses on defined benefit plans of Rs.17.08 lac for the year ended March 31, 2017 from Statement of Profit and Loss to OCI.

(viii) Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.

48. These financial statements have been approved by the Board of Directors of the Company on 23rd May, 2018 for issue to the shareholders for their adoption.

As per our report of even date

For Ray & Ray

Chartered Accountants

(Firm's Registration No. 301072E)

Abhijit Neogi

Partner

(Membership No. 61380)

Place: Kolkata

Date: 23rd May, 2018

For and on behalf of the Board of Directors

I. Sen

Managing Director
(DIN No. 00216190)

S.C. Saha

Company Secretary

S. Bagaria

Chairman
(DIN No. 00233455)

A.K. Neogi

Chief Financial Officer

Form AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "A": Subsidiaries - NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1.	Name of Joint Venture Company	Mozer Process Technology Private Limited
2.	Latest audited Balance Sheet Date	31st March, 2018
3.	Date on which the Joint Venture Company was acquired	22nd May, 2013
4.	Shares of Joint Venture Company held by the Company on the year end:	
	No.	500000 (Five Lac)
	Amount of Investment in the Joint Venture Company	Rs. 50.00 Lac
	Extent of Holding (in percentage)	50%
5.	Description of how there is significant influence	50% Equity Shareholding in the Joint Venture Company and joint control of its Board of Directors together with the Joint Venture Partner, M/s. Allgaier Werke, GmbH, Germany, in terms of the agreement dated 23rd July, 2012 for creation of the Joint Venture Company.
6.	Reason why the associate/joint venture is not consolidated	Not Applicable as the Consolidated Financial Statements have been prepared for the Financial Year ended 31st March, 2018.
7.	Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 3.57 Lac*
8.	Profit / (Loss) for the year	
	i. Considered in Consolidation	(Rs. 16.19 Lac)*
	ii. Not Considered in Consolidation	–

* The figures as given above are as per the Standalone Financial Statements of the Joint Venture Company and hence, effect of inter-company and other adjustments carried out on consolidation have not been considered for the purpose of the above disclosure.

As per our report of even date

For Ray & Ray

Chartered Accountants

(Firm's Registration No. 301072E)

Abhijit Neogi

Partner

(Membership No. 61380)

Place: Kolkata

Date: 23rd May, 2018

For and on behalf of the Board of Directors

I. Sen

Managing Director
(DIN No. 00216190)

S.C. Saha

Company Secretary

S. Bagaria

Chairman
(DIN No. 00233455)

A.K. Neogi

Chief Financial Officer

Five Years' Financial Statistics

(₹in lac)

	2013-14	2014-15	2015-16	2016-17	2017-18
OPERATING RESULTS:					
Sales #	9661	8727	9132	9678	10493
Other Income	439	349	357	1011	460
Total Income	10100	9076	9489	10689	10953
Profit before Interest, Depreciation & Tax (PBIDT)	556	599	299	1180	561
Interest	76	86	89	402	397
Depreciation	414	451	388	507	524
Profit before Tax / (Loss)	66	62	(178)	271	(360)
Profit after Tax / (Loss)	80	98	(51)	214	(235)
Dividends	36	36	-	-	-
Tax on Dividend	6	7	-	-	-
Retained Profit	38	55	(51)	197*	(249)*
NET ASSETS EMPLOYED					
Net Fixed Assets	2951	2876	4440	5111	4741
Net Current Assets **	6797	5702	5915	4973	5145
Other Non-current Assets (net)	(120)	1930	1970	2144	1487
Net Assets Employed	9628	10508	12325	12228	11373
Financed by					
Shareholders' Fund	9368	9233	9182	9661	9412
Borrowings	260	1275	3143	2567	1961
Funds Employed	9628	10508	12325	12228	11373
RATIOS					
PBIDT to Sales (%)	5.76	6.86	3.27	12.19	5.35
Debt: Equity	0.03	0.14	0.34	0.27	0.21
Earnings per Share (Basic)	3.34	4.09	(2.14)	8.94	(9.83)
Dividend per Equity Share	1.50	1.50	-	-	-
Book value per Share (Rs.)	391.92	386.27	384.14	404.18	393.76

- 1 Since the Company transitioned into Ind AS w.e.f. 1st April, 2016, thr prior years' figures are not comparable
- 2 # Sales represent net of excise duty
- 3 * After considering 'Other Comprehensive Income/(Loss)' [net of tax] – Rs. (14 lac) [2016-17 – Rs. (17 lac)]
- 4 ** includes short term investments

Independent Auditors' Report

To The Members International Combustion (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of INTERNATIONAL COMBUSTION (INDIA) LIMITED (hereinafter referred to as “the Holding Company”), its joint venture (together referred as “the Group”), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as “Consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated financial statements in terms of the requirement of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that operate effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statement by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of the reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated loss and the consolidated cash flows for the year ended on that date.

Emphasis of Matter

The Auditors of the joint venture company has drawn attention to the following:

The Joint Venture Company has accumulated losses. However, the Company's net worth has not been fully eroded. The Company has incurred a net loss/net cash loss during the current and previous year. However, the Company's current liabilities have not exceeded its current asset as at the Balance Sheet date. These conditions, therefore, do not indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements of the Joint Venture Company have, therefore, been prepared on a going concern basis.

The opinion of the Auditors of the joint venture company is not modified in respect of these matters.

Other Matters

i) We did not audit the financial statements of the joint venture whose financial statements reflect total assets of Rs. 15.74 lac as at 31st March, 2018, total revenues for the year ended 31st March, 2018 of Rs. 1.22 lac, net loss after tax Rs. 32.39 lac and total comprehensive income (negative) Rs. 32.39 lac for the year ended on that date as considered in the consolidated financial statements. This financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its joint venture company, none of the directors of the Group is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, read with the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements have disclosed the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that are required to be transferred to the Investor Education and Protection Fund by the Group.

Place : Kolkata
Date: May 23, 2018

For **Ray & Ray**
Chartered Accountants
Firm's Registration No.301072E

Abhijit Neogi
Partner
Membership No. 61380

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

“Annexure” to the Independent Auditors' Report of Even Date on the Consolidated Financial Statements of International Combustion (India) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of INTERNATIONAL COMBUSTION (INDIA) LTD. (“the Holding Company”) and its joint venture incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its joint venture which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Company's Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its joint venture, which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the joint venture company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

Place : Kolkata
Date: May 23, 2018

For **Ray & Ray**
Chartered Accountants
Firm's Registration No.301072E

Abhijit Neogi
Partner
Membership No. 61380

**Consolidated Balance Sheet as at March 31, 2018**

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	5	4615.87	4979.96	3839.12
(b) Capital Work-in-Progress	5 & 6	38.79	70.23	577.64
(c) Intangible Assets	6	86.16	60.41	14.63
(d) Financial Assets				
(i) Investments	7	883.86	1794.98	2078.51
(ii) Other financial assets	8	730.07	596.21	225.65
(e) Other Non-Current Assets	9	-	-	113.04
		6354.75	7501.79	6848.59
Current Assets				
(a) Inventories	10	3404.62	3038.43	2964.16
(b) Financial Assets				
(i) Investments	11	1525.17	1236.29	785.37
(ii) Trade Receivables	12	3876.65	3859.75	4095.03
(iii) Cash and Cash Equivalents	13	126.14	133.94	175.43
(iv) Bank Balances other than (iii) above	14	44.42	120.56	92.00
(v) Loans	15	-	-	0.54
(vi) Other financial assets	16	54.72	18.59	25.15
(c) Other Current Assets	17	370.46	492.02	417.37
		9402.18	8899.58	8555.05
Total Assets		15756.93	16401.37	15403.64
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	18	239.03	239.03	239.03
(b) Other Equity	19	9126.69	9391.67	9175.28
		9365.72	9630.70	9414.31
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	1318.18	1962.01	2401.35
(ii) Other Financial Liabilities	21	-	-	81.44
(b) Provisions	22	128.89	101.66	72.15
(c) Deferred Tax Liabilities (Net)	23	44.05	175.05	146.91
		1491.12	2238.72	2701.85
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	860.56	954.95	735.43
(ii) Trade Payables	25	2230.23	1745.84	1289.98
(iii) Other Financial Liabilities	26	713.73	941.82	554.37
(b) Other Current Liabilities	27	952.82	732.63	601.92
(c) Provisions	28	94.26	88.78	69.71
(d) Current Tax Liabilities (Net)	29	48.49	67.93	36.07
		4900.09	4531.95	3287.48
Total Equity and Liabilities		15756.93	16401.37	15403.64

Significant Accounting Policies and other accompanying Notes (1 to 48) form an integral part of the financial statements

This is the Balance Sheet as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

Abhijit Neogi
Partner
(Membership No. 61380)
Place: Kolkata
Date: 23rd May, 2018

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue From Operations	30	10763.90	10857.91
Other Income	31	293.29	847.28
Total Income		11057.19	11705.19
EXPENSES			
Cost of materials consumed	32	4991.81	4293.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(120.65)	5.39
Employee benefits expense	34	3279.17	3069.35
Finance costs	35	396.84	402.28
Depreciation and amortisation expense	36	524.07	506.95
Other expenses	37	2345.66	3156.72
Total Expenses		11416.90	11434.00
Share of Profit /(Loss) of Joint Venture		(16.19)	(2.38)
Share of Unrealised Profit of Joint Venture		-	22.15
Profit before tax		(375.90)	290.96
Tax Expense:	38		
Current tax		-	21.71
Deferred tax/(reversal)		(124.80)	35.78
Total Tax Expenses		(124.80)	57.49
Profit/Loss for the year		(251.10)	233.47
Other Comprehensive Income/(Loss)			
(i) Items that will not be reclassified to profit or loss	39	(20.08)	(24.72)
(ii) Income tax relating to items that will not be reclassified to profit or loss	38.3	6.20	7.64
Other Comprehensive Income for the year (Net of taxes)		(13.88)	(17.08)
Total Comprehensive Income/(Loss) for the year		(264.98)	216.39
Earnings per equity share of par value of Rs. 10 each.	42		
(1) Basic (Rs.)		(10.51)	9.77
(2) Diluted (Rs.)		(10.51)	9.77

Significant Accounting Policies and other accompanying Notes (1 to 48) form an integral part of the financial statements

This is the Statement of Profit and Loss
as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

Abhijit Neogi
Partner
(Membership No. 61380)
Place: Kolkata
Date: 23rd May, 2018

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Consolidated Statement of changes in Equity for the year ended March 31, 2018

A. Equity Share Capital	Amount (₹ in lac)
Balance as at April 1, 2016	239.03
Changes during the year	-
Balance as at March 31, 2017	239.03
Changes during the year	-
Balance as at March 31, 2018	239.03

B. Other Equity

As at March 31, 2018

(₹ in lac)

Particulars	Reserves and Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 01, 2017	605.34	890.41	7301.82	673.03	(78.93)	9391.67
Total Comprehensive Income for the year	-	-	-	(251.10)	(13.88)	(264.98)
Balance at March 31, 2018	605.34	890.41	7301.82	421.93	(92.81)	9126.69

As at March 31, 2017

Particulars	Reserves and Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 1, 2016	605.34	890.41	7301.82	439.56	(61.85)	9175.28
Total Comprehensive Income for the year	-	-	-	233.47	(17.08)	216.39
Balance at March 31, 2017	605.34	890.41	7301.82	673.03	(78.93)	9391.67

Refer Note no. 19 for nature and purpose of reserves

This is the Statement of Changes in Equity
as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray

Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

Abhijit Neogi

Partner
(Membership No. 61380)

Place: Kolkata

Date: 23rd May, 2018

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Consolidated Cash Flow For The Year Ended March 31, 2018

(₹ in lac)

Particulars	Year ended		Year ended	
	March 31 2018	March 31 2018	March 31 2017	March 31 2017
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		(375.90)		290.96
Add: Depreciation and amortisation expenses	524.07		506.95	
Irrecoverable Debts/Advances written off	58.01		75.31	
Provision for expected Credit losses	16.66		1.72	
Finance Cost	396.84	995.58	402.28	986.26
		619.68		1277.22
Less: Interest Income	12.44		15.22	
Net gain/(loss) on sale of Current Investments (net)	6.84		14.70	
Net gain/(loss) on fair valuation of investments through profit and loss (net)	173.57		251.46	
Net gain/(loss) on Foreign Exchange fluctuation and translation	-		(1.33)	
Provisions / Liabilities no longer required written back	42.18		50.48	
Fair valuation of Surrender Value of Keyman Insurance policy	58.64		497.62	
Profit/(Loss) on sale / discard of Fixed Assets (Net)	(0.97)	292.70	1.56	829.71
Operating Profit before Working Capital changes		326.98		447.51
Less: Increase/(Decrease) in Inventories	366.19		74.27	
Increase/(Decrease) in Trade Receivables	91.57		(156.66)	
Increase/(Decrease) in Loans & advances, other financial and non-financial assets	(86.60)		75.53	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	(759.38)	(388.22)	(661.17)	(668.03)
Cash generated from Operations		715.20		1115.54
Less: Direct Taxes paid (Net)		19.44		(10.15)
Net cash flow from Operating activities (A)		695.76		1125.69
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and movements in Capital work in progress	(415.83)		(997.31)	
(Purchase)/Sale of Investment (net)	802.65		98.77	
Interest received	12.44		15.22	
Investment in fixed deposits (having original maturity of more than 3 months)	(0.25)	399.01	106.48	(776.84)
Net Cash flow from Investing activities (B)		399.01		(776.84)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayments) from short term borrowings (net)	(94.39)		219.52	
Proceeds/(Repayments) from long term borrowings (net)	(605.89)		(207.15)	
Interest and other borrowing cost paid	(399.97)		(400.37)	
Dividends	(2.32)	(1102.57)	(2.34)	(390.34)
Net cash flow from Financing activities (C)		(1102.57)		(390.34)
Cash and Cash equivalents (A+B+C)		(7.80)		(41.49)
Cash and Cash equivalents as at 1st April		133.94		175.43
Cash and Cash equivalents as at 31st March (Refer note no. 13)		126.14		133.94

Note: The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Statement of Cash Flows'.

This is the Cash Flow Statement
as per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

Abhijit Neogi
Partner
(Membership No. 61380)
Place: Kolkata
Date: 23rd May, 2018

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No. 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No. 00233455)

A.K. Neogi
Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended March 31, 2018

1 Corporate Information

International Combustion (India) Limited is a public limited company in India, having its registered office in Kolkata, West Bengal located in India engaged in the manufacture and supply of Heavy Engineering Equipment, Geared Motors and Gear Boxes and Dry Mix Products. The Company's shares are listed and publicly traded on the Bombay Stock Exchange Limited.

The Consolidated Financial Statements relates to International Combustion (India) Limited (hereinafter referred to as 'the Company') and its joint ventures as detailed below:

Investment in Joint Ventures

Name of the Company	Principal Activity	Country of Incorporation	% of holding		
			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Mozer Process Technology Private Limited	Trading in Mozer Dryers	India	50.00%	50.00%	50.00%

2 Statement of Compliance and Recent Pronouncements

2.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind AS issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Financial Statements have been recasted/restated to make it comparable with current year figures.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented (Note No.47), a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note No. 47(b) of the financial statement.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

2.2 Recent Pronouncements

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115, “Revenue from Contract with Customers” and Appendix B to Ind AS 21 “Foreign currency transactions and advance consideration” which are applicable with effect from financial periods beginning on or after April 1, 2018.

Ind AS 115 – Revenue from Contract with Customers

The standard requires that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The effect of this amendment on the financial statements of the company is being evaluated.

Ind AS 21 – Appendix B “Foreign currency transactions and advance consideration”

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). The effect of this amendment on the financial statements of the company is being evaluated.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention except certain financial instruments which are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 ‘Presentation of Financial Statements’ and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- (a) **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) **Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- (c) **Level 3:** Inputs for the asset or liability which are not based on observable market data.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

Consolidation Procedure

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on “Consolidated Financial Statements”, Ind AS 28 on “Accounting for Investments in Associates and Joint Ventures” as notified vide Companies (Accounting Standards) Rules, 2015 (as amended).

Investment in Associates and Joint Ventures

Investments in Associates and Joint Ventures are accounted in accordance with Ind AS - 28 on “Accounting for Investments in Associates and Joint Venture”, under “equity method”. Unrealised profit/loss are eliminated other than in respect of transactions pertaining to non depreciable assets.

The difference between the cost of investment in Associates and Joint Ventures and the share of net assets at the time of acquisition of such shares is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be. Under the equity method, the investments are recognised at cost and thereafter the carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group’s share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The statement of profit and loss reflects the Group’s share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

When the Group’s share of losses in an equity accounted investments equals or exceeds its interest in the entity, the Group does not recognises further losses, unless it has incurred obligations or made payment on behalf of the other entity. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy of the group.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, inward freight, dismantling costs, installation expenses and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. For major projects, interest and other costs incurred on / related to direct borrowings to finance projects / fixed assets during construction period and related pre-operative expenses, if appropriate, are capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses of equipments to be installed, construction and erection materials, advances etc. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortization of Expenses:

Depreciation on Property, Plant and Equipment (other than on certain building and vehicles which is amortised over the period of lease) is provided on useful life as specified in Schedule II of the Companies Act, 2013 on the following basis:

- Nagpur, Aurangabad and Ajmer Units - on straight line method;
- Other Units - on written down value method.
- Leasehold Land being perpetuity in nature and having a term upto 99 years of lease with an option of renewal has not been amortised.

Intangible assets are amortized on straight line method over a period of six years.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows.

Category	Useful life (years)
Buildings	
Non-Factory Building (RCC Frame Structure)	60
Factory Building	30
Roads	
Carpeted Roads-RCC	-
Carpeted Roads-other than RCC	-
Non-Carpeted Roads	3
Plant and machinery	
Continuous Process Plant	15
Computer equipment	
Servers and networks	6
Others	3
Furniture and fixtures and Laboratory Equipment's	10
Office equipment	5
Vehicles	
Motor cycles, scooters and other mopeds	-
Others	8

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, Technical Knowhow fees, cost of computer software packages (ERP and others) and Patents are amortized over a period of 6 years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.5 Leases

Leases are classified as finance leases, whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible Assets

Tangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

3.7 Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through Profit and Loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through profit or loss. These are recognised at fair value and changes therein are recognized in the statement of Profit and Loss.

(vi) Investments in Joint Venture are being carried at cost.

(vii) Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(viii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit or loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in case of work-in-progress and finished goods represent material, labour, and

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

other appropriate overheads. Cost in respect of raw materials, components, stores and spares include expenses incurred for procuring the same.

3.9 Asset Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account. Foreign exchange gain/loss to the extent considered as adjustment to interest cost are considered as part of borrowing cost.

3.11 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

3.13 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund, Superannuation Fund and Pension Fund is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity scheme and Interest Rate Guarantee on Provident Fund schemes which are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Other long term employee benefits consisting of leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

3.14 Revenue

Sale of goods:

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes and duties collected on behalf of third parties and is inclusive of excise and other duties which the company pays as principal.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

Export Benefits

Export benefits are accounted for as and when the ultimate realisability of such benefits are established.

3.15 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with the same will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes,

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

the type and class of customer and distribution methods. Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/ costs attributable to the enterprise as a whole and are not attributable to segments.

4 Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 An arrangement containing leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.2 Depreciation / amortization and impairment loss on property, plant and equipment

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

reporting period. This reassessment may result in change estimated in future periods.

4.3 Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

4.5 Provisions and Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy. Based on management best estimates the same does not qualify for recognition in the financial statements.

4.6 Insurance Claim and Liquidated damages

Insurance claims are accounted as and when admitted/settled. Liquidated damages and penalties are accounted for in accordance with the terms of agreement for loss of opportunity/profit of the company due to delay in completion. Subsequent changes in value if any are provided for.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose/ Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Impairment on Investments in Joint Venture

Investments in Joint Venture are been carried at cost. The company has tested for impairment at year end based on the Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

5. Property, Plant and Equipment:

As at March 31, 2018

Particulars	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2017	3.04	549.05	1166.38	578.35	2810.96	72.79	18.75	3.27	258.24	5460.82	50.06	5510.88
Additions	-	-	27.38	-	116.77	1.17	-	1.48	1.79	148.59	13.45	162.04
Disposals	-	-	-	-	15.83	2.88	6.15	0.66	-	25.52	24.72	50.24
Gross Block as at March 31, 2018	3.04	549.05	1193.76	578.35	2911.90	71.08	12.60	4.09	260.03	5583.89	38.79	5622.68
Accumulated Depreciation as at April 1, 2017	-	0.05	61.50	43.29	320.58	20.60	6.16	0.80	27.88	480.86	-	480.86
Charge for the period	-	0.05	65.09	40.04	355.89	14.29	5.63	1.44	27.38	509.81	-	509.81
Disposals	-	-	-	-	15.83	0.79	5.37	0.66	-	22.65	-	22.65
Accumulated Depreciation as at March 31, 2018	-	0.10	126.59	83.33	660.64	34.10	6.42	1.58	55.26	968.02	-	968.02
Net carrying amount as at March 31, 2018	3.04	548.95	1067.17	495.02	2251.26	36.98	6.18	2.51	204.77	4615.87	38.79	4654.66

As at March 31, 2017

Particulars	Freehold land	Perpetual Lease	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2016	3.04	549.05	532.40	578.35	1940.54	51.10	23.52	0.30	160.83	3839.12	536.5	4375.62
Additions	-	-	633.98	-	876.87	22.26	-	3.05	97.41	1633.57	614.78	2248.35
Disposals	-	-	-	-	6.45	0.57	4.77	0.08	-	11.87	1101.22	1113.09
Gross Block as at March 31, 2017	3.04	549.05	1166.38	578.35	2810.96	72.79	18.75	3.27	258.24	5460.82	50.06	5510.88
Accumulated Depreciation as at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	0.05	61.50	43.29	326.59	21.17	10.89	0.88	27.88	492.25	-	492.25
Disposals	-	-	-	-	6.01	0.57	4.73	0.08	-	11.39	-	11.39
Accumulated Depreciation as at March 31, 2017	-	0.05	61.50	43.29	320.58	20.60	6.16	0.80	27.88	480.86	-	480.86
Net carrying amount as at March 31, 2017	3.04	549.00	1104.88	535.06	2490.38	52.19	12.59	2.47	230.36	4979.96	50.06	5030.02

Notes:

5.1 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date (Refer note no. 47).

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

5. Property, Plant and Equipment (Contd.):

As at March 31, 2017 (Contd.)

Notes (Contd.):

5.2 The Building Material Division of the Company for the manufacture of dry mix product has been commissioned on March 31, 2016

5.4 Refer Notes 20.2, 20.3 and 24.1 to financial statements in respect of charges created against borrowings

5.5 Details of assets under lease included above

A. Finance Lease disclosures:

The leasehold lands located at Nagpur, Aurangabad, Ajmer and Kolkata has been classified under finance lease. The lease term ranges from 89 to 99 years.

The net carrying amount of the leasehold land, classified as finance lease, is Rs. 548.95 lac as at March 31, 2018 (March 31, 2017: Rs. 549 lac and April 1, 2016: Rs. 549.05 lac).

Finance Lease Liabilities

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at March 31,2018	As at March 31,2017	As at March 31,2018	As at March 31,2017
Not later than one year	0.38	0.38	0.18	0.20
Later than one year and not later than five years	2.53	2.46	1.02	0.90
Later than five years	189.89	190.34	1.63	1.75

(₹ in lac)

5.6 Capital Work-in-Progress includes Plant and Equipments, construction including material and other costs and other assets amounting to Rs. 38.79 lac (March 31, 2017: Rs. 70.23 lac and April 1, 2016: Rs. 577.64 lac) under installation and the following pre-operative expenditure incurred towards construction and other activities directly attributable to construction of said assets pending completion of the project. Details of such expenditure are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Amount brought forward	-	48.64
Addition during the year	-	-
Less : Capitalised during the year	-	(48.64)
Total pre-operative expenses carried forward pending allocation	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

6. Other Intangible Assets:

As at March 31, 2018

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2017	44.71	23.64	6.76	75.11	20.17	95.28
Additions	40.01	-	-	40.01	19.84	59.85
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	40.01	40.01
Gross Block as at March 31, 2018	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2017	9.36	3.60	1.74	14.70	-	14.70
Charge for the period	8.76	3.94	1.56	14.26	-	14.26
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2018	18.12	7.54	3.30	28.96	-	28.96
Net carrying amount as at March 31, 2018	66.60	16.10	3.46	86.16	-	86.16

As at March 31, 2017

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2016	7.85	0.02	6.76	14.63	41.14	55.77
Additions	36.86	23.62	-	60.48	24.09	84.57
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	45.06	45.06
Gross Block as at March 31, 2017	44.71	23.64	6.76	75.11	20.17	95.28
Accumulated Depreciation as at April 1, 2016	-	-	-	-	-	-
Charge for the period	9.36	3.60	1.74	14.70	-	14.70
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2017	9.36	3.60	1.74	14.70	-	14.70
Net carrying amount as at March 31, 2017	35.35	20.04	5.02	60.41	20.17	80.58

Notes:

6.1 The Company has elected to continue with the carrying value of its Intangible Assets recognised as on April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date (Refer note no. 47).

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

7. Non-Current Investments
(Fully paid up except otherwise stated)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Holding Nos.	Value	Holding Nos.	Value	Holding Nos.	Value
Investments in Equity Instruments						
Investment measured at Cost						
Unquoted						
Joint Venture						
Mozar Process Technology Private Limited (Face value of Rs.10/- each)	500000	19.77	500000	-	500000	-
Share of Profit/(Loss) of Joint Venture	-	(16.19)	-	(2.38)	-	-
Share of Unrealised Profit of joint Venture	-	-	-	22.15	-	-
	-	3.58	-	19.77	-	-
Investment in Mutual Funds						
Investment measured at fair value through Profit and Loss						
Quoted						
BOI AXA Corporate Credit Spectrum Fund (Face Value of Rs. 10 each)	837479	111.79	837479	102.66	-	-
ICICI Prudential Fixed Maturity Plan-Sr.75-1246 Days-Plan U (Face Value of Rs. 10 each)	-	-	3000000	377.89	3000000	332.11
Kotak FMP Series 172 - 1126 Days (Face Value of Rs. 10 each)	1500000	221.44	1500000	181.70	1500000	166.20
Birla Sunlife Fixed Term Plan-Corp Bond Sr.A 1170 D (Face Value of Rs. 10 each)	-	-	-	-	3000000	373.99
ICICI Prudential FMP Series 73 -1140 Days (Face Value of Rs. 10 each)	-	-	-	-	2000000	243.34
Reliance Fixed Horizon Fund XXVII Sr.3 (Face Value of Rs. 10 each)	-	-	-	-	2000000	232.17
HDFC FMP 1184D January 2015(I) - Sr.33 (Face Value of Rs. 10 each)	-	-	2000000	248.49	2000000	223.88
Kotak FMP Series 127 730 Days (Face Value of Rs. 10 each)	-	-	1500000	204.69	1500000	185.78
HDFC FMP 1213 D Mar 2017(1) Reg Gr. (Face Value of Rs. 10 each)	3000000	323.73	3000000	300.92	-	-
UTI-FTIF-Series XXII-VI (1098 Days) Growth Plan (Face Value of Rs. 10 each)	-	-	3000000	358.86	3000000	321.04
ICICI Prudential FMP Series 81 -1101 Days-Plan E (Face Value of Rs. 10 each)	2000000	211.96	-	-	-	-
Kotak FMP 183 -Direct Plan Growth (Face Value of Rs. 10 each)	42000	5.17	-	-	-	-
Kotak FMP 186 -Direct Plan Growth (Face Value of Rs. 10 each)	50000	6.19	-	-	-	-
Total -Non -Current Investments	-	880.28	-	1775.21	-	2078.51
Aggregate NAV of Quoted Investments	-	883.86	-	1794.98	-	2078.51
- Mutual Funds	-	880.28	-	1775.21	-	2078.51

7.1 The Company on the transition date has adopted to measure investment in Joint Venture at Cost (Refer note no. 47)

7.2 Particulars of Investments as required under section 186(4) of the Companies Act, 2013 has been disclosed herein above

7.3 Refer Note No. 20.1 and 24.2 to financial statements in respect of charges created against borrowings

7.4 Details of Joint Venture in accordance with Ind AS 112 " Disclosure of Interest in other entities"

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

7. Non-Current Investments (Contd.)

(Fully paid up except otherwise stated)

(₹ in lac)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Holding Nos.	Value	Holding Nos.	Value	Holding Nos.	Value
Summarised financial information						
1) Balance Sheet						
(i) Non-current Assets						
Intangible Assets		0.04		0.07		0.10
(ii) Current Assets,						
(a) Inventories		-		-		169.67
(b) Financial Assets						
Trade Receivables		-		169.71		-
Cash and Cash Equivalents		6.78		26.79		5.11
Bank balances other than (iii) above		-		-		40.83
(c) Other Current Assets		8.91		36.08		27.13
(iii) Non-Current Liabilities						
(a) Deferred Tax Liabilities (Net)		-		-		(17.21)
(iv) Current Liabilities						
(a) Trade Payables		7.55		165.78		171.37
(b) Current Tax Liabilities (Net)		1.04		27.33		27.18
Particulars						
For the year ended March 31, 2018						
For the year ended March 31, 2017						
2) Statement of Profit and Loss						
Revenue From Operations		0.90		222.95		222.95
Other Income		0.32		1.65		1.65
Purchase of Stock-in-trade		-		-		192.09
Employee benefits expense		23.24		17.40		17.40
Depreciation and amortisation expense		0.03		0.03		0.03
Other expenses		10.35		19.83		19.83
Profit before tax		(32.39)		(4.75)		(4.75)
Profit for the year		(32.39)		(21.96)		(21.96)
Total Comprehensive Income for the year		(32.39)		(21.96)		(21.96)

7.9 Reconciliation of the above summarised information to the carrying amount of the interest in Associates and Joint Ventures recognised in the consolidated financial statement

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Holding	Value	Holding	Value	Holding	Value
Closing Net Assets		7.15		39.54		61.51
Proportion of the Parent's ownership interest in J.V / associates (%)		50.00%		50.00%		50.00%
Proportion of the Parent's ownership interest in J.V / associates (INR)		3.58		19.77		30.76
Less: Unrealised Profit on Stock		-		-		(22.15)
Less: Deferred Tax recognition on Unabsorbed business loss		-		-		(8.61)
"Net Assets as per Consolidated Financial statement (to the extent of carrying value of investment)"		3.58		19.77		(0.00)

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

8. Other Financial Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good				
Security Deposits		63.48	64.65	56.67
Fixed Deposit with Banks (having original maturity of more than 1 year)	14.1	110.33	33.94	168.98
Surrender Value of Keyman Insurance Policy	8.1	556.26	497.62	-
		730.07	596.21	225.65

8.1 The Company has recognised the surrender value of Keyman insurance policy considering the expected accrual of proceeds thereof on maturity in favour of the company.

9. Other Non-Current Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances		-	-	113.04
		-	-	113.04

10. Inventories

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials		1380.10	1150.81	1105.84
Raw materials in transit		-	-	0.50
Work-In-Progress		521.19	636.18	672.60
Finished goods		1248.00	1012.36	981.33
Packing Materials		222.64	17.68	19.22
Stores and spares		32.69	221.40	184.67
		3404.62	3038.43	2964.16

Note: Refer Note No. 24.1 to financial statements in respect of charges created against borrowings

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

11. Current Investments

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Holding Nos.	Value	Holding Nos.	Value	Holding Nos.	Value
Investment measured at fair value through Profit and Loss Investment in Mutual Funds						
Mutual Funds (Quoted)						
Reliance Fixed Horizon Fund XXIII Sr.11 (Face Value of Rs. 10 each)	-	-	-	-	3000000	368.60
Birla Sunlife Fixed Term Plan - Series-JJ (Face Value of Rs. 10 each)	-	-	-	-	1000000	121.94
DHFL Pramerica Fixed Maturity Plan Sr.68 (Face Value of Rs. 10 each)	-	-	2500000	313.85	2500000	294.83
UTI-FTIF Series XXII-VI(1098 D) Growth Fund (Face Value of Rs. 10 each)	3000000	389.82	-	-	-	-
Reliance Fixed Horizon Fund XXVII Sr.3 (Face Value of Rs. 10 each)	-	-	2000000	254.24	-	-
ICICI Prudential FMP Series 73 -1140 Days (Face Value of Rs. 10 each)	-	-	2000000	263.39	-	-
Birla Sunlife Fixed Term Plan-Corp Bond Sr.A 1170 D (Face Value of Rs. 10 each)	-	-	3000000	404.81	-	-
ICICI Prudential Fixed Maturity Plan-Sr.75-1246 Days-Plan U (Face Value of Rs. 10 each)	3000000	409.54	-	-	-	-
Kotak FMP Series 172 - 1126 Days (Face Value of Rs. 10 each)	1500000	196.93	-	-	-	-
HDFC FMP 1184D January 2015(I) - Sr.33 (Face Value of Rs. 10 each)	2000000	266.09	-	-	-	-
Reliance Corporate Bond	1875314	262.79	-	-	-	-
Total	-	1525.17	-	1236.29	-	785.37
Aggregate amount of NAV of Quoted Investments						
- In Mutual Funds	-	1525.17	-	1236.29	-	785.37

11.1 Refer Note No. 20.1 and 24.2 to financial statements in respect of charges created against borrowings

11.2 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note No. 7 and 11

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

12. Trade Receivables

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Considered good				
Unsecured		3949.99	3916.43	4149.99
Less: Impairment allowances for doubtful debts	12.1	(73.34)	(56.68)	(54.96)
		3876.65	3859.75	4095.03
12.1 Refer Note No. 24.1 to financial statements in respect of charges created against borrowings				
12.2 Movement of Impairment allowances for doubtful debts				
Balance as at the beginning of the year		56.68	54.96	54.96
Recognised during the year		16.66	1.72	-
Reversal during the year		-	-	-
Balance at the end of the year		73.34	56.68	54.96
12.3 The Company has provided for impairment allowances at an amount equal to its life time expected credit losses.				

13. Cash and Cash Equivalents

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks				
In current and cash credit accounts		123.33	130.86	172.64
Cash on hand		2.81	3.08	2.79
		126.14	133.94	175.43

14. Bank Balances Other than Cash and Cash Equivalents

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Balances with bank				
In Margin Money Accounts	14.1	36.15	101.89	71.00
In Unpaid Dividend Account		8.27	10.59	12.93
Fixed deposits with Banks(having original maturity of more than 3 months)		-	8.08	8.07
		44.42	120.56	92.00

14.1 Fixed Deposits with banks in Margin Money Account includes Rs.146.48 lac (March 31, 2017: Rs. 135.83 lac and April 1, 2016: Rs. 239.98 lac) including Rs. 110.33 lac (March 31, 2017: Rs. 33.94 lac and April 1, 2016: Rs. 168.98 lac) disclosed under "Other Non-current financial assets" have been lodged with Banks against guarantee issued by them.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

15. Loans

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good				
Loans and advances to related parties	45(B)	-	-	0.54
		-	-	0.54

16. Other Financial Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Export Incentive receivable		26.02	16.02	16.75
Others		28.70	2.57	8.40
		54.72	18.59	25.15

16.1 Refer Note No. 24.1 to financial statements in respect of charges created against borrowings

17. Other Current Assets

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances for supply of goods		53.31	21.06	64.75
Balance with Government authorities		276.95	424.54	314.14
Prepaid expenses		30.85	39.82	28.77
Loans and advances to employees		9.35	6.60	9.71
		370.46	492.02	417.37

17.1 Refer Note No. 24.1 to financial statements in respect of charges created against borrowings

18. Equity Share Capital

(₹in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised				
5,000,000 (March 31, 2017: 5,000,000 and April 1, 2016: 5,000,000) Equity Shares of Rs.10 each		500.00	500.00	500.00
		500.00	500.00	500.00
Issued, Subscribed and Paid-up				
2,390,276 (March 31, 2016: 2,390,276 and April 1, 2016: 2,390,276) Equity Shares of Rs.10 each		239.03	239.03	239.03
		239.03	239.03	239.03

18.1 The Company has one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

18. Equity Share Capital (Contd.)

18.2 Reconciliation of the number of equity shares outstanding (No. of shares)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Number of shares at the beginning		23,90,276	23,90,276	23,90,276
Add: Addition during the year		-	-	-
Number of shares at the end		23,90,276	23,90,276	23,90,276

18.3 Shareholders holding more than 5% equity shares (No. of shares)

Name of shareholders	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Tradelink Securities Limited		3,43,703	3,43,703	3,43,703
Stephen Court Limited		2,79,088	2,79,088	2,79,088
Woolworth Merchandise Private limited		1,70,609	1,70,609	1,70,609

19. Other Equity

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve	19.2	605.34	605.34	605.34
Securities Premium Reserve	19.3	890.41	890.41	890.41
General Reserve	19.4	7301.82	7301.82	7301.82
Retained Earnings	19.5	421.93	673.03	439.56
Other Comprehensive Income	19.6			
Re-measurement of Defined benefit plans		(92.81)	(78.93)	(61.85)
		9126.69	9391.67	9175.28

19.1 Refer Statement of changes in Equity for movement in balances of reserves

19.2 Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under section 52 of Companies Act, 2013.

19.3 General Reserve

The General Reserve is used from time to time by appropriating profits from Retained Earnings. As the General Reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of Profit and Loss.

19.4 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

19.5 Other Comprehensive Income

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions have been recognised in OCI and will not be reclassified to statement of Profit and Loss.

19.6 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported above are not entirely distributable.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

20. Borrowings

(₹ in lac)

Particulars	Note no.	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Non Current	Current	Non Current	Current	Non Current	Current
Secured							
Term Loan loan from Bank	20.1 and 20.2	1316.97	639.68	1957.25	600.94	2392.25	369.15
Vehicle Finance loan from Bank	20.3	1.21	3.54	4.76	4.34	9.10	3.94
		1318.18	643.22	1962.01	605.28	2401.35	373.09

20.1 Term Loan from Kotak Bank is secured by way of lien on investments in units of mutual fund held by the Company and is repayable in 60 monthly instalments starting from January, 2016. The Interest rate is Base Rate + 185 basis points which is currently 11.35%. The outstanding as on March 31, 2018 is Rs. 1032.91 lac (March 31, 2017: Rs. 1,341.97 lac and April 1, 2016 Rs.1,611.12 lac)

20.2 Term Loan from Axis Bank is secured by way of exclusive hypothecation charge over movable fixed assets at Ajmer unit, equitable mortgage over Company's leasehold land and building thereon situated at Ajmer and second charge as collateral securities by way of equitable mortgage on immovable assets located at Nagpur and Aurangabad units on which first charge is held for working capital facilities for Baidyabati, Nagpur and Aurangabad units. The Interest rate is Base Rate + 250 basis points which is currently 12.00%. The outstanding as on March 31, 2018 is Rs.929.19 lac (March 31, 2017: Rs. 1,229.19 lac and April 1, 2016 Rs. 1,167.19 lac)

20.3 Finance lease obligation is secured against car taken on two finance lease and are repayable in 60 and 36 monthly instalments starting from July, 2014 and March,2016 respectively. The Interest rate is 10.51% and 9.40% respectively. The outstanding as on March 31, 2018 is Rs. 4.75 lac (March 31, 2017: Rs. 9.10 lac and April 1, 2016 Rs. 13.03 lac)

20.4 Repayment details of above loans are as follows:

(₹ in lac)

Particulars	Term Loan	Vehicle Finance Loan
2018-19	639.68	3.54
2019-20	676.59	1.21
2020-21	616.63	-
2021-22	23.75	-

20.5 The outstanding balance disclosed in Note no. 20 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

21. Other Financial Liabilities

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Vendors		-	-	81.44
		-	-	81.44

22. Provisions

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	41	128.89	101.66	72.15
		128.89	101.66	72.15

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

23. Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax Assets		427.56	(296.60)	(200.27)
Deferred tax Liabilities		471.61	471.65	347.18
Net Deferred Tax (Assets)/Liabilities		44.05	175.05	146.91

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below:

Particulars	As at April 1, 2017	Charge/ (Credit) recognised in profit and loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2018
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	-	-	3.50
Leasehold liability	0.88	0.06	-	0.82
MAT Credit Entitlement	77.11	-	-	77.11
Unabsorbed depreciation loss	156.69	(45.15)	-	201.84
Provision for expected credit losses against financial assets	17.51	(5.18)	-	22.69
Expenses allowable on payment basis	5.61	(74.49)	-	80.10
Remeasurement of defined benefit obligations	35.30	-	(6.20)	41.50
Total Deferred Tax Assets	296.60	(124.76)	(6.20)	427.56
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	115.67	(24.16)	-	91.51
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	352.68	25.74	-	378.42
Borrowings designated at Amortised Cost	3.30	(1.62)	-	1.68
Total Deferred Tax Liabilities	471.65	(0.04)	-	471.61
Net Deferred Tax (Assets)/ Liabilities	175.05	(124.80)	(6.20)	44.05

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2017 are given below:

Particulars	As at April 1, 2016	Charge/ (Credit) recognised in profit and loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2017
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	-	-	3.50
Leasehold liability	0.94	0.06	-	0.88
MAT Credit Entitlement	55.41	(21.70)	-	77.11
Unabsorbed depreciation loss	91.91	(64.78)	-	156.69
Provision for expected credit losses against financial assets	16.98	(0.53)	-	17.51
Expenses allowable on payment basis	3.87	(1.74)	-	5.61
Remeasurement of defined benefit obligations	27.66	-	(7.64)	35.30
Total Deferred Tax Assets	200.27	(88.69)	(7.64)	296.60
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	85.26	30.41	-	115.67
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	256.76	95.92	-	352.68
Borrowings designated at Amortised Cost	5.16	(1.86)	-	3.30
Total Deferred Tax Liabilities	347.18	124.47	-	471.65
Net Deferred Tax (Assets)/ Liabilities	146.91	35.78	(7.64)	175.05

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

24. Borrowings

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured				
Repayable on demand				
Working capital facilities from banks				
Indian Currency	24.1 & 24.2	657.60	777.65	543.50
Buyer's Credit	24.3	202.96	177.30	191.93
		860.56	954.95	735.43

- 24.1 Loans repayable on demand being Working Capital facilities from UCO Bank and Axis Bank (both fund based and non-fund based) are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, trade receivables and other current assets of the Company and all moveable assets and by equitable mortgage by deposit of title deeds of immovable properties comprising of land and buildings of the Company's factories situated at Nagpur and Aurangabad.
- 24.2 Loans repayable on demand being Working Capital facilities from Kotak Mahindra Bank is secured by way of lien on investments in units of mutual funds held by the Company.
- 24.3 Buyer's Credit is secured against hypothecation of the plant and equipment purchased thereagainst.

25. Trade Payables

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable for Goods and Services				
Due to Micro and Small Enterprises	25.1	61.18	45.66	28.17
Others		2169.05	1700.18	1261.81
		2230.23	1745.84	1289.98

- 25.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Principal & Interest amount remaining unpaid but not due as at year end			
Principal amount unpaid	61.18	45.66	28.17
Interest due	-	-	-
b) Interest paid by the Company in terms of Section 16 of the "Micro, Small and Medium Enterprise Development Act, 2006" along with the amounts of the payment made to the supplier beyond the appointed day during the year:			
Principal amount unpaid	63.97	154.12	191.67
Interest due	-	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil
d) Interest accrued and remaining unpaid as at year end	Nil	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil	Nil

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

26. Other Financial Liabilities

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long term debt- Secured	20	639.68	600.94	369.15
Current maturities of finance lease obligation- Secured	20	3.54	4.34	3.94
Interest accrued but not due on borrowings		14.11	17.24	15.33
Unclaimed dividends	26.1	8.27	10.59	12.93
Capital vendors		48.13	308.71	153.02
		713.73	941.82	554.37

26.1 The same is not due for payment to Investor Education and Protection Fund.

27. Other Current Liabilities

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from customers		582.38	470.73	387.43
Statutory dues-PF, ESI, Service Tax, TDS, Entry Tax etc.		370.44	149.42	105.45
Excise duty on stock		-	112.48	109.04
		952.82	732.63	601.92

28. Provisions

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits	42	94.26	88.78	69.71
		94.26	88.78	69.71

29. Current Tax Liabilities (Net)

(₹ in lac)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for taxation (net of advance tax)		48.49	67.93	36.07
		48.49	67.93	36.07

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

30. Revenue From Operations

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (including Excise Duty)	30.1	10597.26	10694.14
Sale of Services		31.89	37.70
Other operating revenues			
Scrap Sales		72.47	53.67
Liabilities no longer required written back		42.18	50.48
Incentive on exports		20.10	21.92
		10763.90	10857.91

30.1 Includes Excise Duty of Rs. 103.81 lac (2016-17 – Rs. 1015.76 lac)

31. Other Income

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income			
On deposits, overdue debts etc.		12.44	15.22
Net gain/(loss) on redemption of Current investments (net)		6.84	14.70
Net gain/(loss) on fair valuation of investments through profit and loss (net)		173.57	251.46
Profit/(loss) on sale of fixed assets (net)		-	1.56
Net gain/(loss) on foreign currency transaction and translation		12.33	10.92
Fair valuation of Surrender Value of Keyman Insurance policy	8.2	58.64	497.62
Miscellaneous income		29.47	55.80
		293.29	847.28

32. Cost of materials consumed

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material Consumed		4991.81	4293.31

33. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock			
Finished Goods		1012.36	981.33
Work-in-Progress		636.18	672.60
		1648.54	1653.93
Less: Closing Stock			
Finished Goods		1248.00	1012.36
Work-in-Progress		521.19	636.18
		1769.19	1648.54
		(120.65)	5.39

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

34. Employee Benefits Expense

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages		2514.91	2380.72
Contribution to provident and other funds		253.43	219.83
Travelling and Conveyance		379.40	356.84
Staff welfare expenses		131.43	111.96
		3279.17	3069.35

35. Finance Costs

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		344.98	386.64
Other borrowing cost		51.86	15.64
		396.84	402.28

36. Depreciation and Amortisation Expenses

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation Expenses	5	509.81	492.25
Amortisation Expenses	6	14.26	14.70
		524.07	506.95

37. Other Expenses

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumable Stores		273.23	239.16
Packing Materials consumed (net of recoveries)		144.85	169.11
Power and fuel		184.26	195.49
Rent		25.73	22.17
Repairs to buildings		36.05	38.43
Repairs to machinery		26.98	8.31
Repairs to others		57.14	57.27
Insurance		10.43	13.26
Rates and taxes		23.89	22.50
Directors fees and Commission		6.10	9.20
Selling and Distribution Expenses	37.2	584.22	505.97
Auditors' Remuneration	37.1	4.15	4.42
Irrecoverable Debts/Advances written off		58.01	75.31
Royalty		260.63	198.78
Excise duty paid and on stock		(8.67)	1019.21
Communication Expenses		31.42	30.98
Provision for expected Credit losses		16.66	1.72
Consultancy		68.99	41.95
Freight and Forwarding Charges (Net of realisation of Rs. 47.15 lac (March 31, 2017: Rs. 48.44 lac))		173.05	108.39
Loss on sale of fixed assets (net)		0.97	
Miscellaneous expenses	37.3	367.57	395.09
		2345.66	3156.72

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

37. Other Expenses (Contd.)

37.1 Auditor's Remuneration comprises of:

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Audit Fees		3.25	3.25
(b) Certification and other expenses		0.90	1.17

37.2 Selling and Distribution Expenses comprises of:

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Travelling Expenses		466.05	421.99
(b) Commission on Sales		94.36	61.98
(b) Other Expenses		23.81	22.00

37.3 During the year, the Company has incurred Rs. 2.12 lac (March 31, 2017 Rs. 4.15 lakhs) on account of Corporate Social Responsibility (CSR).

37.4 Operating Lease disclosures:

The Company has operating lease arrangements for office accommodations etc. with tenure extending upto 1 or 3 or 5 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 12 or 24 or 36 months as the case may be from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs.26.11 lac (March 31, 2017 Rs. 22.17 lac).

38. Tax Expenses-Current Tax

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for current tax		-	21.71
		-	21.71

38.1 Components of Tax Expense:

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax			
In respect of the current year		-	21.71
Total Current tax expense recognised in the current year		-	21.71
Deferred tax			
In respect of the current year		(124.80)	35.78
MAT credit entitlement		-	-
Total Deferred tax expense recognised in the current year		(124.80)	35.78
Total Tax expense recognised in the current year		(124.80)	57.49

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

38. Tax Expenses-Current Tax (Contd.)

38.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from "Profit Before Tax" as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit Before Tax		(375.90)	290.96
Income Tax Expense calculated at 30.90%*		(116.15)	89.91
Less : Effect of			
Difference in tax rate for Long Term Capital Gain		(18.58)	(27.41)
Effect of other adjustments		9.93	5.01
Income Tax Expense recognised in Profit and Loss		(124.80)	57.49

* The tax rate used for reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under the Indian tax laws.

38.3 Income tax recognised in other comprehensive income

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred Tax			
Arising on income and expenses recognised in other comprehensive income:			
Tax impact on Remeasurement of defined benefit obligation		6.20	7.64
Total Income Tax recognised in Other Comprehensive Income		6.20	7.64
Bifurcation of the Income Tax recognised in Other Comprehensive Income into:			
Items that will not be reclassified to Profit and Loss		6.20	7.64
Items that may be reclassified to Profit and Loss		-	-

39. Components of Other Comprehensive Income

(₹ in lac)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of gains / (losses) on defined benefit plans		(20.08)	(24.72)
		(20.08)	(24.72)

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)						
Financial Assets designated at Amortised Cost						
Trade Receivables	3876.65	3876.65	3859.75	3859.75	4095.03	4095.03
Cash and Cash Equivalents	126.14	126.14	133.94	133.94	175.43	175.43
Bank Balances other than Cash and Cash Equivalents	44.42	44.42	120.56	120.56	92.00	92.00
Loans and Other financial assets	784.79	784.79	614.80	614.80	250.80	250.80
Financial Assets designated at Fair Value through Profit and Loss Account						
Investment in Mutual Funds	2405.45	2405.45	3011.50	3011.50	2863.88	2863.88
Financial Liabilities (Current and Non-Current)						
Financial Liabilities designated at Amortised Cost						
Borrowings	2821.96	2821.96	3522.24	3522.24	3509.87	3509.87
Trade Payables	2230.23	2230.23	1745.84	1745.84	1289.98	1289.98
Other Financial Liabilities	70.51	70.51	336.54	336.54	262.72	262.72

(₹ in lac)

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities/financial assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Investments (other than Investments in Joint Venture) i.e. Mutual Funds are determined by reference to the quoted market prices (i.e. NAV) at the reporting date multiplied by the quantity held.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2018:

(₹in lac)

Particulars	As at * March 31	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Investment in Mutual Funds (Current and Non-Current) - 2018	2405.45	2405.45	-	-
- 2017	(3011.50)	(3011.50)	-	-
- 2016	[785.37]	[785.37]	-	-

(*) Figures in round brackets () indicate figures as at March 31, 2017 and in brackets [] indicate figures as at April 01, 2016

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

Financial instruments are valued based on quoted price for similar assets and liabilities in active market or similar inputs that are directly or indirectly observable in the market place.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company has an Enterprise Risk Management (ERM) process which involves periodic identification of risks likely to affect the business adversely, rating the risks, their importance and likelihood, preparation of risk identification procedures, implementation of risk mitigation plans and its continuous monitoring by the Executive Management/ Divisional Heads. The Risk Management Committee has already identified the risks in the various business areas and it also develops and monitors various mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks. The presence in India of players with low cost products which has intensified the competition in the large domestic market consequently shrinking the margins for the Company's products is an area of risk. To mitigate the risk involved in this area, steps have been initiated to move ahead of the competition with the Company's strong brand image along with upgradation of technology, carving out a niche product portfolio and effective marketing framework.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated transactions.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

The Company is having a net foreign exchange inflow and has adopted a comprehensive risk management review system wherein it evaluates exchange rate exposure arising from these transactions and follows established risk management policies.

The carrying amount of various exposure to foreign currency at the end of the reporting period are as follows:

(₹in lac)

Particulars	As at March 31, 2018			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	24.33	-	-	24.33
EURO	60.72	202.96	5.17	(147.41)
Total	85.05	202.96	5.17	(123.08)

Particulars	As at March 31, 2017			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	5.84	-	-	5.84
EURO	75.56	177.30	12.43	(114.17)
Total	81.40	177.30	12.43	(108.33)

Particulars	As at April 1, 2016			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	97.67	-	-	97.67
EURO	103.08	191.93	6.36	(95.21)
Total	200.75	191.93	6.36	2.46

The company is principally exposed to foreign currency risk against USD & Euro. Sensitivity of profit or loss arises mainly from USD & EURO denominated are as follows:

(₹in lac)

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Receivables (Weaking of INR By 5%)		
USD	1.22	0.29
EURO	3.04	3.78
Payables (Weaking of INR By 5%)		
USD	-	-
EURO	(10.41)	(9.49)

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements

Interest rate risk

The company exposure in market risk related to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Interest rate risk (Contd.)

Further, there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes and as such does not cause material implication.

With all other variables held constant, the following table demonstrates the impact of exposure of Company's borrowings to interest rate changes at the end of the reporting period. A hypothetical basis point shift, as detailed below, would result in a corresponding increase or decrease in interest costs for the company on a yearly basis.

(₹in lac)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2018	For the year ended March 31, 2017
Foreign Currency Loan	+0.25	0.51	0.44
Rupee Loan	+0.50	13.07	16.68

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in foreign currency loan would have an equal and opposite effect on the Company's financial statements

Other price risk

The company's exposure in Joint Venture are carried at cost and these are subject to impairment testing as per the policy followed in this respect. Further, the investment in mutual funds which are fair valued through profit and loss are material as these are Fixed Maturity Plan(FMP) that are closed ended scheme with a pre-defined maturity which is subject to investment objective and allocation which is basically in debt instruments, Certificate of Deposits and Commercial papers. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Collection of sale proceeds promptly from the clients on sale of products is also an area where risk is involved. The Company has adopted various recovery measures for improvement in collection and liquidity position which is also monitored by the Executive Management at regular intervals.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2018 and March 31, 2017 respectively.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery thereagainst has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Financial assets that are past due but not impaired

Trade receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The Company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement. The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at the Balance Sheet date:

Interest rate and currency of borrowings

(₹in lac)

Particulars	As at March 31, 2018			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	2619.01	2614.25	4.76	-
EURO	202.96	202.96	-	-
Total	2821.96	2817.21	4.76	-

Particulars	As at March 31, 2017			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	3344.94	3335.84	9.10	-
EURO	177.30	177.30	-	-
Total	3522.24	3513.14	9.10	-

Particulars	As at April 1, 2016			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	3317.95	3304.90	13.05	-
EURO	191.93	191.93	-	-
Total	3509.88	3496.83	13.05	-

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

40. Financial Instruments (Contd.)

Maturity Analysis of Financial Liabilities

(₹in lac)

Particulars	As at March 31, 2018					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	
Interest bearing borrowings (including current maturities)	2821.96	-	316.48	326.74	2178.74	2821.96
Other Liabilities	70.51	8.27	62.24	-	-	70.51
Trade and other payables	2230.23	2230.23	-	-	-	2230.23

Particulars	As at March 31, 2017					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	
Interest bearing borrowings (including current maturities)	3522.24	-	298.40	308.08	2915.76	3522.24
Other Liabilities	336.54	10.59	325.95	-	-	336.54
Trade and other payables	1745.84	1745.84	-	-	-	1745.84

Particulars	As at April 1, 2016					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	
Interest bearing borrowings (including current maturities)	3509.87	-	282.71	292.29	2934.87	3509.87
Other Liabilities	262.72	12.93	249.79	-	-	262.72
Trade and other payables	1289.98	1289.98	-	-	-	1289.98

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP. Further, the Company relies on mix of borrowings and excess operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The gearing ratio are as follows:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	2178.74	2916.96	3136.78
Equity	9365.72	9630.70	9414.31
Gearing Ratio	0.23	0.30	0.33

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on “Employee Benefits” are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under: (₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer’s Contribution to Provident Fund	102.88	104.08
Employer’s Contribution to Pension Fund	59.34	59.17
Employer’s Contribution to Superannuation Fund	11.83	9.95
Employers State Insurance Fund	32.78	15.75

b) Defined Benefit Plans

The employee’s gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹in lac)

Particulars	Gratuity (Funded)	
	2017 - 2018	2016 - 2017
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	728.94	642.44
Interest Cost	53.44	51.43
Current Service Cost	47.08	50.26
Actuarial (gain) / loss on obligations	14.09	18.44
Benefits paid	(78.69)	(33.63)
Liability at the end of the year	764.86	728.94
b) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	695.68	657.04
Expected Return on Plan Assets	53.91	52.56
Contributions by the Company	33.54	25.99
Benefits paid	(78.69)	(33.63)
Actuarial gain / (loss) on Plan Assets	(5.99)	(6.28)
Fair value of Plan Assets at the end of the year	698.45	695.68
c) Actual return on Plan Asset		
Expected return on Plan assets	53.91	52.56
Actuarial gain / (loss) on Plan Assets	(5.99)	(6.28)
Actual Return on Plan Assets	47.92	46.28
d) Amount Recognized in Balance Sheet		
Liability at the end of the year	764.86	728.94
Fair value of Plan Assets at the end of the year	698.45	695.68
	66.41	33.26
e) Components of Defined Benefit Cost		
Current Service Cost	47.08	50.26
Interest Cost	53.44	51.43
Expected Return on Plan Assets	(53.91)	(52.56)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	20.08	24.72
Total Defined Benefit Cost recognised in Profit and Loss and OCI	66.69	73.85

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits (Contd.)

b) Defined Benefit Plans (Contd.)

(₹in lac)

Particulars	Gratuity (Funded)	
	2017 - 2018	2016 - 2017
f) Balance Sheet Reconciliation		
Opening Net Liability	33.26	(14.60)
Expenses as above	66.69	73.85
Employers Contribution	(33.54)	(25.99)
Amount Recognized in Balance Sheet	66.41	33.26
g) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.75%	7.50%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	7.75%	7.50%

h) Percentage allocation of plan assets in respect of fund managed by insurer is as follows:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
G-Sec/ Corporate Securities	-	-	-
Equity	-	-	-
Fixed Deposit and other Assets	-	-	-
Insurance Policies	100.00%	100.00%	100.00%

Interest Rate Guarantee

The obligation for provident fund trustees set up by the employer for Interest Rate guarantee in respect of shortfall in respect of in a defined benefit plan and is recognized in the same manner as gratuity. The actuarial valuation of such provident fund liability on account of shortfall of interest as determined by the actuarial is Rs. NIL (March 31, 2017 - Rs. 3.13 lac) has been recognised in the Statement of Profit and Loss.

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2018 is given below:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017
Leave Encashment	113.13	108.71
Particulars	Leave Encashment (Non-Funded)	
	2017 - 2018	2016 - 2017
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	108.71	101.17
Interest Cost	6.66	7.87
Current Service Cost	35.39	33.18
Actuarial (gain) / loss on obligations	(45.67)	(23.69)
Benefits paid	8.04	(9.82)
Liability at the end of the year	113.13	108.71

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits (Contd.)

(₹ in lac)

Particulars	Leave Encashment (Non-Funded)	
	2017 - 2018	2016 - 2017
b) Amount Recognized in Balance Sheet		
Liability at the end of the year	113.13	108.71
Fair value of Plan Assets at the end of the year	-	-
	113.13	108.71
c) Components of Defined Benefit Cost		
Current Service Cost	35.39	33.18
Interest Cost	6.66	7.87
Expected Return on Plan Assets	-	-
Net Actuarial (gain) / loss on remeasurement recognised in Profit & Loss	8.04	(9.82)
Total Defined Benefit Cost recognised in Profit and Loss and OCI	50.09	31.23
d) Balance Sheet Reconciliation		
Opening Net Liability	108.71	101.17
Expenses as above	50.09	31.23
Benefits paid	(45.67)	(23.69)
Amount Recognized in Balance Sheet	113.13	108.71
e) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.75%	7.50%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	N.A	N.A

Notes:

- i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2017	24.72
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2018	20.08

Sensitivity analysis:

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31st, 2017			
Discount Rate	+1%	689.95	101.59
	-1%	776.23	116.79
Salary Growth Rate	+1%	771.86	116.83
	-1%	689.95	101.43
Withdrawal Rate	+1%	736.96	109.91
	-1%	722.38	107.73

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

41. Post Retirement Employee Benefits (Contd.)

Sensitivity analysis (contd.):

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31st, 2018			
Discount Rate	+1%	739.84	106.41
	-1%	831.45	120.69
Salary Growth Rate	+1%	830.63	120.77
	-1%	739.72	106.28
Withdrawal Rate	+1%	787.35	113.93
	-1%	778.55	112.24

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (Projected Unit Credit Method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Particulars	Gratuity	Leave Encashment
For the year ended March 31, 2017		
Plan Liabilities - (loss)/gain	(3.21)	(13.50)
Plan Assets - (loss)/gain	6.29	-
For the year ended March 31, 2018		
Plan Liabilities - (loss)/gain	42.42	9.74
Plan Assets - (loss)/gain	6.00	-

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity	Leave Encashment
01 Apr 2018 to 31 Mar 2019	34.81	5.58
01 Apr 2019 to 31 Mar 2020	222.54	31.84
01 Apr 2020 to 31 Mar 2021	60.03	6.34
01 Apr 2021 to 31 Mar 2022	52.89	7.19
01 Apr 2022 to 31 Mar 2023	63.87	9.62
01 Apr 2022 onwards	1343.89	53.58

Particular	As at March 31, 2018	As at March 31, 2017
Average no of people employed	469	466

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

42. Calculation of Earning Per Share is as follows:

(₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Net profit for basic and diluted Earnings Per Share as per Statement of Profit and Loss	(251.10)	233.47
(b) Weighted average number of Equity shares for calculation of basic and diluted Earnings Per Share (Face value Rs. 10/- per share)		
No of equity shares outstanding as on 31st March	2390276	2390276
Number of equity shares considered in calculating basic and diluted EPS	2390276	2390276
(c) Weighted average number of equity shares outstanding	2390276	2390276
(d) Earnings Per Share (EPS) of Equity Share of Rs. 10 each:		
a) Basic (Rs.)	(10.51)	9.77
b) Diluted (Rs.)	(10.51)	9.77

43. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil Lac (March 31, 2017 Rs. Nil and April 1, 2016 Rs. 1,151.86 lac).

44. Contingent Liabilities not provided for in respect of:

(₹in lac)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outstanding Bank Guarantees	97.94	75.86	75.13

45. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows:

A) Names of related parties and description of relationship

- | | |
|--|---|
| 1) Key Management Personnel (KMP) and close member of their family | Mr. Sanjay Bagaria - Chairman and Non Executive Director
Mr. Indrajit Sen - Managing Director
Mr. Ratan Lal Gaggar - Director
Mr. Ravi Ranjan Prasad - Director
Mrs. (Prof.) Bharati Ray - Director
Mr. Ashish Kumar Neogi - Chief Financial Officer
Mr. Suhas Chandra Saha - Company Secretary |
| 2) Joint Venture Company | Mozer Process Technology Pvt. Ltd. |

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

45. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

B) Related Party Transactions

(₹in lac)

Particulars	Joint Venture Company	KMP & Close members of Family	Total	Outstanding as on March 31, 2018	Outstanding as on March 31, 2017	Outstanding as on April 1, 2016
Remuneration						
Mr. Sanjay Bagaria	-	-	-	-	-	-
Mr. Indrajit Sen	-	178.96	178.96	5.82	-	-
Mr. Ashish Kumar Neogi	-	36.36	36.36	-	-	-
Mr. Suhas Chandra Saha	-	39.15	39.15	-	-	-
Total	-	254.47	254.47	5.82	-	-
Previous Year						
Mr. Sanjay Bagaria	-	2.77	2.77	-	2.77	-
Mr. Indrajit Sen	-	167.68	167.68	-	-	-
Mr. Ashish Kumar Neogi	-	33.71	33.71	-	-	-
Mr. Suhas Chandra Saha	-	36.66	36.66	-	2.68	-
Sitting Fees						
Mr. Sanjay Bagaria	-	1.80	1.80	-	-	-
Mr. Ratan Lal Gaggar	-	1.30	1.30	-	-	-
Mr. Ravi Ranjan Prasad	-	1.30	1.30	-	-	-
Mrs. (Prof.) Bharati Ray	-	1.70	1.70	-	-	-
Previous Year						
Mr. Sanjay Bagaria	-	1.90	1.90	-	-	-
Mr. Ratan Lal Gaggar	-	1.50	1.50	-	-	-
Mr. Ravi Ranjan Prasad	-	1.30	1.30	-	-	-
Mrs. (Prof.) Bharati Ray	-	1.70	1.70	-	-	-
Sale of Stock in Trade						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	224.36	-	-	-	-	-
Recovery of Rent						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Total	0.36	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Recovery of Selling and Distribution expenses						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Recovery of Misc. expenses						
Mozer Process Technology Pvt. Ltd.	2.41	-	-	0.20	-	-
Total	2.41	-	-	0.20	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	1.74	-	-	-	-	-
Advance Received						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Receivable at year end						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	0.54
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

45. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

C) Details of compensation paid to KMP during the year are as follows:

(₹in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	-	-
Post-employment benefits*	20.38	-
Other long-term benefits*	-	-

* Post-employment benefits and other long-term benefits have been disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

45.1 In respect of the above parties, there is no provision for doubtful debts as on March 31, 2018 and no amount has been written off or written back during the year in respect of debt due from/to them

45.2 The above related party information is as identified by the management and relied upon by the auditor

46. Segment Information

a) Reportable Segments:

The Company’s operating segment are established on the basis of those component of the Company that are evaluated regularly by the Board (“The Chief Operating Decision Maker”) as defined in Ind AS 108 “Operating Segments”. The Company has three principal operating and reporting segments i.e.

- i) Mineral & Material Processing and Handling Equipment
- ii) Gear Box and Geared Motor Drive System
- iii) Building Material Division

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment Transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

46. Segment Information (Contd.)

(b) Summary of segment information as at and for the year ended March 31, 2018 and March 31, 2017 is as follows:

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Geared Motor Drive System		Building Material Division		Unallocated/Corporate		Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Segment Revenue											
External Revenue	6328.52	6588.12	4116.77	4189.75	341.49	109.40	270.41	817.92	-	-	11057.19	11705.19
Inter-Segment Revenue	5.15	32.05	161.70	165.04	-	-	-	-	(166.85)	(197.09)	-	-
Total Revenue	6333.67	6620.17	4278.47	4354.79	341.49	109.40	270.41	817.92	(166.85)	(197.09)	11057.19	11705.19
Segment Result	1945.80	1987.73	146.13	32.78	(539.93)	(554.42)	(1723.92)	(1054.23)	-	-	(171.92)	411.86
Add/(less):												
Interest earned on loans and deposits, income from current and non-current investments, Profit and Loss on sale of investments etc. - Net	-	-	-	-	-	-	-	-	-	-	(192.85)	(281.38)
Finance costs	-	-	-	-	-	-	-	-	-	-	396.83	402.28
Provision for Taxes	-	-	-	-	-	-	-	-	-	-	(124.80)	57.49
Profit for the year	-	-	-	-	-	-	-	-	-	-	(251.10)	233.47
Other Information												
Segment Assets	5266.23	5211.27	3313.71	3317.15	3305.44	3390.84	3871.56	4482.12	-	-	15756.94	16401.38
Segment Liabilities	1609.22	1428.64	1390.26	978.11	196.97	339.62	328.74	309.77	-	-	3525.19	3056.14
Capital Expenditure												
Segment capital expenditure	115.83	147.45	28.08	44.20	5.83	833.56	7.41	22.25	-	-	157.15	1047.46
Depreciation and Amortisation												
Segment depreciation and amortisation	78.77	72.28	189.38	206.61	185.57	140.74	70.36	87.31	-	-	524.08	506.94
Significant Non Cash Expenditure												
Segment significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

46. Segment Information (Contd.)

c) Summary of Segment Assets and Liabilities as at April 01, 2016

Particulars	Assets	Liabilities
Mineral & Materials Processing And Handling Equipment	5480.89	1035.21
Gear Box and Geared Motor Drive System	3338.15	799.40
Building Material Division	2571.84	258.09
Unallocated Corporate Assets/ Liabilities	4012.76	239.83
Total	15403.64	2332.53

d) Geographical Information

(₹ in lac)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from sale of Products by Geographical Market		
Within India	9641.05	9706.37
Outside India	956.21	987.77
	10597.26	10694.14

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc.

a) Reconciliation in terms of Ind AS 101 “First Time Adoption of Indian Accounting Standards”

i) Reconciliation of Equity as at March 31, 2017 and April 1, 2016

(₹ in lac)

Particulars	Note No. (Under 47 (c))	As at March 31, 2017 (End of last period presented under Previous GAAP)			As at April 1, 2016		
		Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS	Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
1 Non-Current Assets							
(a) Property, Plant and Equipment	(i) & (iv)	4988.80	(8.84)	4979.96	3847.92	(8.80)	3839.12
(b) Capital work-in-progress		70.23	-	70.23	577.64	-	577.64
(c) Other Intangible assets	(iv)	60.45	(0.04)	60.41	14.68	(0.05)	14.63
(d) Financial Assets							
(i) Investments	(iii)	1500.00	294.98	1794.98	1799.98	278.53	2078.51
(ii) Others	(ii)	607.53	(11.32)	596.21	236.97	(11.32)	225.65
(e) Other Non current Assets	(v)	77.11	(77.11)	-	168.45	(55.41)	113.04
2 Current Assets							
(a) Inventories		3038.43	-	3038.43	3013.56	(49.40)	2964.16
(b) Financial Assets							
(i) Investments	(iii)	950.00	286.29	1236.29	650.00	135.37	785.37
(ii) Trade Receivables	(ii) & (iv)	4001.29	(141.54)	3859.75	4149.99	(54.96)	4095.03
(iii) Cash and Cash equivalents	(iv)	147.34	(13.40)	133.94	177.99	(2.56)	175.43
(iv) Bank balances other than (iii) above	(iv)	120.56	-	120.56	112.42	(20.42)	92.00
(v) Loans		-	-	-	0.54	-	0.54
(vi) Others		18.59	-	18.59	25.15	-	25.15
(c) Other Current Assets	(iv)	510.06	(18.04)	492.02	430.94	(13.57)	417.37
Total Assets		16090.39	310.98	16401.37	15206.23	197.41	15403.64

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

i) Reconciliation of Equity as at March 31, 2017 and April 1, 2016 (Contd.)

(₹in lac)

Particulars	Reff Note No. (Under 47 (c))	As at March 31, 2017 (End of last period presented under Previous GAAP)			As at April 1, 2016		
		Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS	Regrouped as per Previous GAAP	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		239.03	-	239.03	239.03	-	239.03
(b) Other Equity	47(a)(ii)	8993.58	398.09	9391.67	8879.67	295.61	9175.28
Liabilities							
1 Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	(v)	1972.88	(10.87)	1962.01	2418.05	(16.70)	2401.35
(ii) Other financial liabilities		-	-	-	81.44	-	81.44
(b) Provisions		101.66	-	101.66	72.15	-	72.15
(c) Deferred Tax Liabilities (net)	(v)	157.77	17.28	175.05	132.17	14.74	146.91
2 Current liabilities							
(a) Financial liabilities							
(i) Borrowings		954.95	-	954.95	735.43	-	735.43
(ii) Trade Payables	(iv)	1828.74	(82.90)	1745.84	1375.68	(85.70)	1289.98
(iii) Other financial liabilities	(i)	938.77	3.05	941.82	551.32	3.05	554.37
(b) Other Current liabilities		732.63	-	732.63	601.92	-	601.92
(c) Provisions		88.78	-	88.78	69.71	-	69.71
(d) Current Tax Liabilities (Net)	(iv)	81.60	(13.67)	67.93	49.66	(13.59)	36.07
Total Equity and Liabilities		16090.39	310.98	16401.37	15206.23	197.41	15403.64

ii) Reconciliation of Total Equity as given above:

(₹in lac)

Particulars	Note No. (Under 47 (c))	As at March 31, 2017 (End of last period presented under Previous GAAP)	As at April 01, 2016 (Date of transition)
Total Equity (shareholders' funds) under Previous GAAP		9232.60	9118.70
Ind AS Adjustment			
Effect of amortization of financial assets	(ii)	(11.32)	(11.32)
Effect of provision for expected credit loss	(ii)	(56.68)	(54.96)
Effect of fair valuation of investment	(iii)	561.50	413.90
Effect of amortization of financial liability	(iv)	(2.08)	3.94
Effect of Equity accounting in Joint Venture	(iv)	-	13.29
Effect of recognition of present value of future lease payment	(i)	1.07	0.91
Effect of deferred tax on above	(v)	(94.40)	(70.15)
Total adjustment to equity		398.09	295.61
Total Equity under Ind AS		9630.69	9414.31

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

iii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(₹ in lac)

Particulars	Note No. [Under 48 (c)]	As per IGAAP for the year ended March 31, 2017	Ind AS Adjustments	As per Ind AS for the year ended March 31, 2017
INCOME				
Revenue from operations		10969.39	(111.48)	10857.91
Other Income	(iii)	700.50	146.78	847.28
Total Revenue		11669.89	35.30	11705.19
EXPENSES				
Cost of materials consumed		4353.92	(60.61)	4293.31
Changes in inventories of finished goods, Stock-in-Trade and work-in progress		5.39	-	5.39
Employee Benefit Expenses	(vi)	3102.77	(33.42)	3069.35
Finance costs	(i) & (iv)	396.12	6.16	402.28
Depreciation and Amortisation expenses	(i)	506.92	0.03	506.95
Other Expenses	(i)	3165.26	(8.54)	3156.72
Total Expenses		11530.38	(96.38)	11434.00
Share of Profit /(Loss) of Joint Venture	(iv)	-	(2.38)	(2.38)
Share of Unrealised Profit of Joint Venture	(iv)	-	22.15	22.15
Profit/(loss) before tax		139.51	151.45	290.96
Tax expense:				
Current tax		21.71	-	21.71
Deferred tax	(v)	3.89	31.89	35.78
Profit/(loss) for the year		113.91	119.56	233.47
Other Comprehensive Income/(Loss)				
(i) Items that will not be reclassified to Profit and Loss	(vi)	-	(24.72)	(24.72)
(ii) Income tax related to items that will not be reclassified to Profit and Loss	(vi)	-	7.64	7.64
Other Comprehensive Income (net of tax)/(Loss)		-	(17.08)	(17.08)
Total Comprehensive Income for the year		113.91	102.48	216.39

iv) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017:

Particulars	For the Year ended March 31, 2017
Net profit / Other Equity under previous GAAP	113.91
Items recognised in Other Comprehensive Income	24.72
Provision for expected credit losses	(1.72)
Fair valuation of investment	147.60
Interest expense on loan amortization	(6.16)
Effect of Joint Venture proportionate basis to equity method accounting	(13.29)
Others	0.30
Effect of Taxes on above	(31.89)
Net Profit for the period / Other Equity as at March 31, 2017 under Ind AS	233.47
Actuarial gain/ (loss) on Employees defined benefit	(17.08)
Total Comprehensive Income for the period / Other Equity as at March 31, 2017 under Ind AS	216.39

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

v) Effect of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2017 (₹in lac)

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from Operating Activities	1318.30	(192.61)	1125.69
Net cash flows from Investing Activities	(996.64)	219.80	(776.84)
Net cash flows from Financing Activities	(365.50)	(24.84)	(390.34)
Net increase (decrease) in Cash and Cash Equivalents	(43.84)	2.36	(41.48)
Cash and Cash Equivalents at the beginning of the period	188.37	(12.94)	175.43
Cash and Cash Equivalents at the end of the period	144.53	(10.58)	133.95

Analysis of Cash and Cash Equivalents as at March 31, 2017 and as at April 1, 2016 for the purpose of statement of cash flows under Ind AS

(₹in lac)

Particulars	As at March 31, 2017 (End of last period presented under Previous GAAP)	As at April 1, 2016 (Date of transition)
Cash and Cash Equivalents for the purpose of statement of cash flows as per Previous GAAP		
Unpaid Dividend Account considered as cash and cash equivalents	(10.58)	(12.94)
Cash and Cash Equivalents for the purpose of statement of cash flows under Ind AS	(10.58)	(12.94)

b) FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions

These financial statements are covered by Ind AS 101, “First Time Adoption of Indian Accounting Standards”, as they are the Company’s first Ind AS financial statements for the year ended March 31, 2018.

i) Overall principle:

The Company has prepared the opening Balance Sheet as per Ind AS as at April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to Ind-AS had recognized directly in retained earnings at the date of transition.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

iii) Deemed cost for Property, Plant and Equipment and Intangible assets:

The Company has elected to continue with the carrying value of all of its property, plant and equipments and intangible assets recognized as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

iv) Investment accounted under Equity method

As required under Ind AS-28 “Investments in Associates and Joint Ventures”, the group has accounted for interest in Joint Venture as at transition date under equity method of accounting. Accordingly all assets and liabilities pertaining to Joint Ventures which were consolidated line by line in previous accounting standards were excluded and balance difference between assets and liabilities pertains to Investment in Joint ventures accounted under previous GAAP. Further the Joint Ventures have also adopted Ind AS with effect from 1st April, 2017 (transition date being 1st April, 2016).

The following previously proportionately consolidated assets and liabilities and items of statement of Profit and Loss have been aggregated into a single line investment balance in the joint venture at the date of transition to Ind AS:

(₹in lac)

Particulars	As at March 31, 2017	As at April 01, 2016
ASSETS		
(i) Non-current assets		
Intangible Assets	0.04	0.05
(ii) Current Assets		
(a) Inventories	-	49.40
(b) Financial Assets		
Trade Receivables	84.86	-
Cash and cash equivalents	13.40	2.56
Bank balances other than (iii) above	-	20.42
(c) Other current assets	18.04	13.57
Total Assets	116.33	85.99
EQUITY AND LIABILITIES		
Equity		
(a) Other Equity	(30.23)	(27.85)
Liabilities		
(i) Non-Current Liabilities		
(a) Deferred Tax Liabilities (Net)	-	-
(ii) Current liabilities		
(a) Trade Payables	82.89	85.68
(b) Current Tax Liabilities (Net)	13.67	13.59
Total Equity and Liabilities	66.33	71.42

Particulars	For the Year ended March 31, 2017
Revenue From Operations	111.48
Other Income	0.83
Total Income	112.30
Purchase of Stock-in-trade	60.61
Employee benefits expense	8.70
Depreciation and amortisation expense	0.02
Other expenses	9.92
Total Expenses	79.24
Profit before tax	33.06
Tax expense:	
Deferred Tax	-
Profit for the year	33.06

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

v) Impairment of financial assets

Ind AS 109 “Financial Instruments” requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Company, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

vi) Determining whether an arrangement contains a lease

The Company as on the date of transition complied with Ind AS 17 “Leases” to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS.

c) Explanatory Notes to reconciliation between Previous GAAP and Ind AS

(i) Property, Plant and Equipment

Under the previous GAAP, leasehold land was shown as a part of Property, Plant and Equipment at a carrying value consisting of the initial costs incurred and was amortised over the period of lease.

Under Ind AS 101, the Company has recognized the present value of minimum lease payments to its carrying value with corresponding recognition of lease liability. On transition, this has resulted in capitalization of Rs. 3.97 lac in Property Plant and Equipment with corresponding recognition of lease liability of Rs. 3.05 lac as on April 1, 2016.

(ii) Fair Valuation of financial assets and liabilities

Under previous GAAP, receivables and payables were measured at transaction cost less allowances for recoverability, if any.

Under Ind AS, financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment, if any. The resulting changes are recognised either under finance income or expenses in the Statement of Profit and Loss.

On transition, the Company has fair valued certain financial assets including security deposits. This has resulted in decrease in total equity by Rs. 11.32 lac and Rs. 11.32 lac as on March 31, 2017 and April 1, 2016 respectively. Further, the Company has provided for expected credit losses on trade receivables based on past five years trend of bad debts as a percentage of debts due over a period of 180 days which resulted in decrease in total equity by Rs. 56.68 lac and Rs. 54.96 lac as on March 31, 2017 and April 1, 2016 respectively

(iv) Fair valuation of Investment in Mutual Funds

Under previous GAAP, Current investments were measured at lower of cost or market price.

Under Ind AS, these investments are measured at fair value through profit and loss and accordingly, difference between the fair value and carrying value is recognised in the statement of Profit and Loss.

On transition, the company has fair valued through Profit and Loss these investment resulting in increase in total equity by Rs.561.50 lac and Rs. 413.90 lac as on March 31, 2017 and April 1, 2016 respectively.

(v) Borrowings

Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Profit and Loss for the period in which such transaction costs is incurred.

Notes to Consolidated Financial Statements for the year ended March 31, 2018 (Contd.)

47. First Time Adoption of Ind As-Disclosures, Reconciliation etc. (Contd.)

Under Ind AS, Finance Liabilities consisting of Long Term Borrowings to be designated and measured at amortised cost based on Effective Interest Rate (EIR) method. The transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in Profit and Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

On transition, the Company has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by Rs.10.89 lac and Rs.16.70 lac as on March 31, 2017 and April 1, 2016 respectively with corresponding increase in total equity by Rs.3.94 lac as on April 1, 2016 and decrease by Rs. 2.08 lac as on March 31, 2017 Further, Rs. 12.76 lac and Rs.12.76 lac as on March 31, 2017 and April 1, 2016 respectively has been reduced from the carrying amount of Property, Plant and Equipment relating to borrowings for Building Material Division.

(vi) Taxation

Deferred tax has been recognized in respect of on accounting differences between previous GAAP and Ind AS. These adjustments have resulted increase in deferred tax liability and decrease in equity by Rs. 95.16 lac and Rs. 70.15 lac as on March 31, 2017 and April,1,2016 respectively.

(vii) Remeasurement of Defined Benefit Plan

Under previous GAAP and Ind AS, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis.

Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of Profit and Loss.

Under Ind AS, the actuarial gain and losses form part re-measurements of net defined benefit liability/ asset which is recognised in Other Comprehensive Income (OCI). Consequently, the tax effect on the same has also been recognised in OCI instead of statement of Profit and Loss.

Under Ind AS, the entity is permitted to transfer amounts recognized in the Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred all re-measurement costs recognized relating prior to the transition date from Retained Earnings as on the date of transition as permitted under Ind AS.

On transition, this has resulted in reclassification and re-measurement of losses on defined benefit plans of Rs. 17.08 lac for the year ended March 31, 2017 from Statement of Profit and Loss to OCI.

(viii) Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.

48. These financial statements have been approved by the Board of Directors of the Company on 23rd May, 2018 for issue to the shareholders for their adoption.

As per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

Abhijit Neogi
Partner
(Membership No. 61380)
Place: Kolkata
Date: 23rd May, 2018

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No. 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No. 00233455)

A.K. Neogi
Chief Financial Officer

